



Weatherization Assistance Program

Policy and Procedures Manual

Indiana Housing and Community Development Authority

30 South Meridian Street, Suite 1000

Indianapolis, IN 46204

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SECTION 100

ELIGIBILITY AND APPLICATION

101 ELIGIBILITY DETERMINATION

The Weatherization Subgrantee's staff, or its subcontractor, is obligated to review and determine WAP eligibility status for anyone requesting an application. Clients may not be denied the right to submit a WAP application by the Weatherization Subgrantee or any of its subcontractors.

A dwelling unit shall be eligible for Weatherization assistance if it is occupied by a family unit:

- Whose income is at or below 200 percent of the poverty level (for DOE) determined in accordance with criteria established by the Director of Office of Management and Budget* and as approved by the Department of Health and Human Services, per the American Recovery and Reinvestment Act of 2009, Public Law 111-005. The ARRA Public Law continues to apply to DOE funded grants.
- Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and Title XVI of the Social Security Act.
- **Who is eligible for assistance under the Low Income Home Energy Assistance Act of 1981, per 10 CFR 440.22 (a) (3). (Indiana Weatherization's primary eligibility criteria per approved State Plan)**

LIHEAP WX grant clients must adhere to the HHS requirement of 200% of the current OMB poverty income).

Denied EAP applications will be referred for eligibility under 10 CFR 440.22 (a) (1) and (2), as noted above. If a client is ineligible under the cited regulation, refer to section 103 for denial procedures and notice to appeal.

*At the beginning of each calendar year, newly approved poverty guidelines for the program year are issued. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines annually on **October 1st (using Federal Register / Thursday, January 18, 2018 on pages 2642-2644 and WPN 17-3).**

Approach to Determining Building Eligibility

The Weatherization Subgrantee's staff, or its subcontractor, is obligated to review and determine WAP eligibility status for anyone requesting an application. No dwelling unit will be weatherized without documentation that the dwelling unit is an eligible unit, as defined as 10 CFR 440.22. The local Subgrantees verify applicant's income during the application process.

Households that are categorically eligible have several of the required items in their EAP file. A client's Energy Programs Application (EAP) must be active at the time the weatherization services are provided and at the time of final inspection.

When determining if a household is eligible for the State EAP benefit, the household must provide proof of homeownership. This documentation must confirm that an individual in the household is listed as the owner of the property. Proof of Homeownership may include:

- Beacon or County Assessors websites
- Current Property taxes (Spring and/or Fall)
- Current mortgage statement
- Current homeowner Insurance
- Deed

Indiana's policy for the weatherization of rental units complies with 10 CFR 440.16(i), and all other pertinent regulations. Subgrantees must have written permission from the building owner or his agent before commencing and are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the Subgrantee has adopted.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10 CFR 440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization Subgrantee, as noted in 10 CFR 440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the dwelling.

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** the unit is not eligible for additional weatherization services utilizing DOE funds, as referenced in WPN 13-1, section V.1.2.

102 DOCUMENTING ELIGIBILITY

IHCDA requires that all Subgrantees ensure client eligibility during the period in which services are delivered. Clients which are deemed eligible as a result of their LIHEAP eligibility will have their most recent application date transferred into their IWAP record upon import. Subgrantees must ensure services are delivered within one year of the most current application date or the client's income must be re-verified. Files of clients not categorically eligible through the Energy Assistance Program

must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the Indiana Energy Assistance Program Operations Manual <http://www.in.gov/myihcda/eap.htm> or DOE Weatherization Program Notice 17-3, dated April 5, 2017.

Households that are categorically eligible have several of the required items in their EAP file. Information, such as income verification, does not need to be duplicated. During monitoring, IHCD or any contracted monitoring entity reserves the right to inspect the EAP client income verification to insure client eligibility.

In the following circumstances, **exceptions** to the required documentation policy will be permitted:

1. Shelters – An application and eligibility determination is not required for shelters.
 - Agencies should determine the number of countable completions based on shelter regulations detailing that a weatherization provider may count each 800 square feet of the shelter as a dwelling unit or each floor level as one unit, as noted in 10 CFR 440.22(f).
 - An individual file must be kept for the shelter project.
 - This file must contain a copy of the shelter’s mission statement, occupancy type, and any documentation detailing the work measures installed and diagnostic and Health and Safety testing performed.
 - For IWAP reporting purposes, each completion should be counted as “Data Unavailable” when reporting income categories and demographics. The box “Demographics Not Available” must be checked at the bottom of the IWAP application page.
 - A National Energy Audit Tool (NEAT) audit will be required on all shelters.
2. Multi-Unit Buildings – In the weatherization of multi-unit buildings, DOE regulations require that 66% (50% for duplexes and four-unit buildings) of dwelling units in the building must be eligible households or will become eligible within 180 days as referenced in 10 CFR 440.22(b).

For multifamily buildings containing 25 or more units per building, subgrantees must contact IHCD to begin the process of reviewing the building to be considered for weatherization. Subgrantees or their contractors are responsible for performing a multifamily audit using MulTEA or Targeted Retrofit Energy Analysis Tool (TREAT) software, and are responsible for all costs associated with performing this audit. Results of the audit must be submitted to IHCD and DOE for approval.

- Subgrantees must submit a plan for approval to IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are

contained within one building. Plans must include, at a minimum, the following information:

- Address of the multiunit building
 - Current description (i.e. total number / income qualified / vacant)
 - Proposed funding source(s)
 - Subgrantee organizational capacity
 - An application is not required for non-eligible or empty units. IHCD requires that documentation of eligibility is required for all units. To ensure that the percentage requirement is met, a separate list must be maintained, indicating the eligible and non-eligible or empty units.
 - For IWAP reporting purposes, each non-eligible or empty unit should be counted as “Data Unavailable” when reporting income categories and demographics. The box “Demographics Not Available” must be checked at the bottom of the IWAP application page.
 - Subgrantees should also note that when weatherizing a multi-unit building, the amount to be spent on the building is determined by the number of income eligible units. (Example: When weatherizing a 20-unit building, if 15 of the units are eligible, you are only allowed **\$105,000.00** (15 x **\$7,000** (average base cost per home)) for the 20 units.)
 - In order to weatherize an apartment, all units in the affected building must be weatherized.
 - **Prioritizing qualified clients in multi-unit buildings does not differ from other housing types. Subgrantees shall ensure that weatherization services are being provided to low-income persons that live in all types of housing (i.e. single family, rentals, manufactured housing units, and multifamily buildings), and housing type is not a recognized priority. This ensures that clients are served in the appropriate order, and in accordance with IHCD guidelines.**
 - More information for weatherizing a multi-family dwelling is located within DOE regulations on WAPTAC in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.
3. A home that is weatherized while being renovated by a state or local government program must have a client file completed within 60 days of the completion of the work. The file must contain all proper verification documents to ensure that the client meets all eligibility criteria.

103 APPEALS PROCEDURE

When a Weatherization Subgrantee determines that a household is ineligible, the Subgrantee, within ten (10) working days, must provide a written denial to the client detailing the reason(s) for the denial and advising them of their right to appeal the decision. Weatherization

Subgrantees must retain in the client file a copy of the denial letter with the appeal procedure that was sent to the client.

Pictures must be taken to document the conditions leading to deferral and must be placed in the client file.

IHCDA strongly recommends that the **Applicant Notification Form** found in *Appendix R* be the basis of any form created by the Weatherization Subgrantee to notify weatherization clients of their denial of services.

The “right to appeal” information provided to any denied household must contain the following two processes:

1. Local Review:

Local review involves the written policy of each Weatherization Subgrantee Program Manager for handling client complaints or appeals of program decisions. The final step in the local process should involve a written determination by the Subgrantee’s Executive Director.

2. State Review:

State Review occurs when a weatherization applicant is not satisfied with a determination made by the local Subgrantee. The appeal must include the stated reasons for the Client’s objection to the decision, reasons must be based solely upon evidence supporting one (1) of the following circumstances:

- a. Clear and substantial error or misstated facts which were relied on in making the decision being challenged/appealed;
- b. Unfair competition or conflict of interest in the decision-making process;
- c. An illegal, unethical or improper act; or
- d. Other legal basis that may substantially alter the decision.

The appeal must be made in writing and received by the Indiana Housing and Community Development Authority (IHCDA) within ten (10) days of receipt of the Subgrantee’s final decision. The appeal is to be sent to the IHCDA’s **Director of Community Programs** who, after review, will refer the appeal to the IHCDA Compliance Attorney.

The Respondent will receive written acknowledgement of receipt of the appeal by the Compliance Attorney within five (5) business days, noting the day the appeal was received. All pertinent material from the case will be requested from the Weatherization Subgrantee by the Compliance Attorney in order to make a determination. The applicant, as deemed appropriate, shall have the opportunity to review all documentation submitted to IHCDA.

The IHCDCA Compliance Attorney will have forty-five (45) days from IHCDCA's receipt of the written request for appeal to review the file and make a determination. The decision of the IHCDCA Compliance Attorney is final.

104 FEDERAL PROGRAM REGULATIONS AND GUIDANCE

All federal program regulations and guidance can be found at www.waptac.org under "Rules & Guidance, Program Guidance" and "Rules & Guidance, Rules and Regulations". Additional historical facts, training and technical assistance, health and safety, energy education, conference presentations and webinars and public relations can be found under various topics. If Indiana has specifically issued Program Guidance, these notices can be found on the weatherization website at <http://www.in.gov/myihcda/weatherization.htm>

Each new program year, Department of Energy issues annual guidance that governs the upcoming program year. See www.waptac.org under Weatherization Program Notice Program WPN 18-1 for the 2018 grant guidance issued 12/18/2017.

105 PARTICIPATION IN NATIONAL STUDIES OR UTILITY PROGRAMS

Pursuant to 5 U.S.C. 552(b)(6) of the Freedom of Information Act, Subgrantees eligible to participate in utility programs, or participate in a state or regional-level study, are required to keep confidential any specifically identifying information related to an individual's eligibility application for WAP, or the individual's participation in WAP, such as their name, address, or income information. IHCDCA and Subgrantees States may release information about recipients in the aggregate and which does not identify specific individuals (For example, information on the number of recipients in a county, city or a zip code does not compromise the privacy of the recipients).

Subgrantees interested in participating in utility programs or studies must submit requests to IHCDCA for approval before entering into any third-party agreements.

SECTION 200

CLIENT FILES

201 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow the Department of Energy (DOE) rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, the Indiana Weatherization Policy and Procedures Manual, or the SWS-aligned Indiana Weatherization Field Guide must have written approval from the **Community Programs Policy and Technical Specialist** prior to working on a unit. This approval only applies to the unit for which the request was made. A copy of the request and IHCD's approval must be printed and placed in the client file.

202 REQUIRED FORMS

Client files must be kept in order to verify the work that has been completed and to track expenditures on each dwelling. Subgrantees will be required to report completions and document which funding sources were used when more than one funding stream is utilized on any one dwelling. The documentation should detail the dollar amount of DOE and HHS (LIHEAP) grant funds spent on each home.

The file must also contain the paperwork necessary to document that proper procedures were followed in the performance of the work. Some forms, such as the application, are required in all client records. Other documents, such as the rental agreement, will only be contained in the files where applicable.

Required forms include:

A client's Energy Assistance Program (EAP) application must be active at the time the weatherization services are provided and at the time of final inspection. An application is considered active for a twelve-month period starting from the date of the approved application. If the version in the EAP database is the most current, no paper copy is required. If a client has an expired application in the EAP database and recently reapplied, a current paper copy is required in the client file. A paper copy may be requested by IHCD's program monitors when reviewing client files. Subgrantees are required to utilize the most recent or current approved application. *Appendix A – EAP Indiana Statewide Application.*

Income documentation verifying total household income for the 3 months prior to application should be available. If categorically eligible under EAP, income information does not need to be copied for the weatherization file. For the purposes of monitoring, EAP files must be made available. Subgrantees must use a form or method of income calculation that is consistent with guidelines as written in the most current version of the Indiana Low Income Energy Assistance Program Operations Manual (<http://www.in.gov/myihcda/eap.htm>). Because files are subject to review, both by state and federal agencies, it is imperative that case files accurately reflect the computation of household income.

- **The Zero Income Affidavit** must be used to verify zero income for **each** household member, age 18 and over, who claims no income for the 3 months prior to the application date. In addition to a completed form, each zero-income claimant must have an attached wage inquiry or income summary from the local Workforce Development office. *Appendix S – Zero Income Affidavit.*
- According to the U.S. Department of Energy WPN 13-3 under Section D Proof of Eligibility #3 Self Certification, zero income claimants must have a *notarized* affidavit claiming zero income for Low Income Weatherization Assistance. IHEDA requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income. All agencies must use this form with all EAP appointments, mail-in applications and WAP applications.
- The Subgrantee may notarize the form at the time of the EAP Application. Incorporating the notary into the EAP application process is highly recommended, but not required. The EAP Program Manager may notarize the form if he or she is the Subgrantee's notary, even if the Program Manager processed the file. Regardless of the procedure used, the form must be notarized in compliance with Indiana Code 33-42-2-2, which requires the presence of the claimant when the form is notarized.
- The form may be signed by the Zero Income Claimant **or** the person who completes the application on behalf of the household. If the signatory is not the zero-income claimant, the person must be listed as a household member on the EAP application. The EAP program does not require a notarized signature to process the file. This is a Dept. of Energy provision for Weatherization clients.

Applicant Deferral Notification Letters mailed to deferred weatherization clients must be included in each weatherization file. The notification must detail the process described in *Section 103* of the manual. Appendix R should be your deferral letter template with your specific Subgrantee contact names, addresses and reasons for the deferral. **This letter must be specific as to the reason(s) for the deferral, next steps for the client and a specific timeline for action. The deferred file must also include a properly completed Moisture Assessment Form and pictures, where applicable, of the deferral issue(s).** *Appendix R – Applicant Deferral Notification Letter*

Landlord/Rental Agreement detailing Weatherization Subgrantee's rental policy, including Subgrantee's requirement for any minimum landlord contributions. The form must be signed by the landlord, client, and Subgrantee personnel. Per 10 CFR 440.3: *Rental Dwelling Unit* means a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

Work Order - Subgrantee auditors conduct a whole-home audit and work is completed based on what the results of the audit specify is required to make the home more energy efficient. After the initial audit is completed, Subgrantee crews or contractors may then complete the weatherization work based on either the DOE approved waiver audit or a site specific audit using NEAT or MHEA. NEAT or MHEA is to be used when:

- Housing stock fails to meet the model of the priority list;
- When an auditor is unsure how to prioritize measures needed in a home based upon budget constraints;
- To cost justify furnace replacements or other measures for energy efficiency;
- As required by DOE, IHCD, or both.

Subgrantees are required to perform NEAT or MHEA audits on at least 10% of all DOE completed homes within each grant cycle.

Subgrantees will be required to make copies of their NEAT and MHEA databases and upload them to a file-sharing service determined by IHCD to allow for NEAT and MHEA audit reviews by IHCD file monitors, and INCAA to provide additional T&TA assistance when necessary

Certificate of Insulation is a certificate from the installing contractor documenting the specifics about the amount, type and location of all insulation installed. This certificate must be posted in an appropriate location within the home [attic, near water heater, etc.] and a copy placed in the client file. *Appendix T – Certificate of Insulation*

Invoices for Work Completed must be included in the client files. Invoices must be company invoices or on company letterhead and must include a detailed breakdown by material and labor and listing the date the work was performed.

Final Inspection Form - Effective April 1, 2015 Subgrantees were required to utilize Indiana's standardized final inspection form. This standardized form is required to meet the requirements of DOE's WPN 15-4. This inspection form will be utilized by both the Quality Control Inspector as well as IHCD's Community Programs Monitor. *Appendix X – Final Inspection Form*

Effective April 1, 2015 all final inspections in Indiana must be performed by a DOE Quality Control Inspector (QCI) certified individual. This is required for DOE, LIHEAP and State LIHEAP completions. A thorough review of the Final Inspection form should be done to ensure the client is fully aware of what they are signing and agreeing to. A signed copy must be left with the client.

If the client does not sign the final inspection form, the Weatherization Subgrantee must document the reason for the absence of the client signature. For example, a client who rents a home and moves before the final inspection can be completed and is therefore unavailable to sign the final inspection form. The Weatherization Subgrantee must document three attempts to reach the client for signature, such as correspondence sent to forwarding address. If the client will not sign due to

a lack of satisfaction with the work, the auditor should note client concerns. If work is either in-progress, or done and the crew, auditor, or QCI cannot return to complete or conduct an inspection at any time in the process, the Subgrantee must take the aforementioned steps to contact the client to resolve the clients lack of required involvement. **If the client is unresponsive to the Subgrantee, or unreachable, the Subgrantee must contact the Community Programs Policy and Technical Specialist for Weatherization at IHCD and request approval for a Provisional Closeout. Prior to submitting a request to IHCD for approval of a Provisional Closeout, the Subgrantee must have documentation of at least two scheduled attempts being made where the client was not home or refused entry.** In addition, the Subgrantee must notify the client in writing, with a return receipt requested.

The letter must inform the client of the following:

- Subgrantee's inability to contact client to schedule an appointment.
- Scheduled appointments missed by the client and/or their refusal to allow entry to complete final work or perform an inspection.
- Language stating that the client will have a minimum of seven working days to contact the Subgrantee to allow re-entry to complete work and/or the Final Inspection.
- Consequence of not responding within the seven day period: all warranty and liability associated with materials installed and work performed will be forfeited whereas the client releases the State of Indiana, the Indiana Housing and Community Development Authority, and the Weatherization Administrator its agents and employees from any and all liability for losses, damages, costs, personal injury, death, or other claims because of or in relation to the installation, location, or malfunction of measures performed.
- Client's right to appeal the consequence in writing to IHCD within ten (10) business days of receipt of letter. **A letter or email must be sent to IHCD, attention of the Director of Community Programs, 30 South Meridian Street, Suite 1000, Indianapolis IN, 46204.**

Approval by IHCD of a request for **Provisional Closeout** will allow costs related to the unit to be claimed. However, the unit will not be considered as a completion under DOE, LIHEAP or State LIHEAP. Additional guidance can be found under 302.4 Final Inspection.

Heating System Form must be completed during the initial inspection of the system on every home. Each section needs to be signed off and dated by the appropriate employee/ contractor. The appropriate document should be utilized depending on heating system type. Forms are available for Natural Gas Furnaces (App. K), Boilers (See www.incap.org), Oil Furnaces (See www.incap.org) and Electric Heating (App. O) and may be found in the Appendices or at <http://www.in.gov/myihcda/weatherization.htm>

Furnace Sizing Form is to determine the proper heat load calculation when a new heating system is to be installed in the home. Also referred to as a Manual J, this form must be completed and placed in every file for a home in which a furnace is replaced. Forms may be found at <http://www.in.gov/myihcda/weatherization.htm>

New Furnace Installation Inspection Form is to be used only when a new heating system has been installed. The purpose of this form is for auditors to follow a step by step process to evaluate if the new heating system has been installed properly and is running efficiently. This document shall be completed by both the individual installing the furnace and the Subgrantee inspector. The form must be complete, signed and dated by the Subgrantee inspector prior to any shell work proceeding. . This form is not intended to be used as the test instrument during the final inspection (QCI) of shell measures. The appropriate heating systems form should be utilized during the shell final inspection (QCI) with all testing information being recorded in the appropriate column. *Appendix G – New Furnace Installation Inspection Form*

Gas Cook Stove Form documents the working condition of this appliance, if it is present. Any information regarding the appliance condition, operation, or repair must be noted on this form. *Appendix L – Gas Cook Stove*. Note: CO readings must be recorded before and after any repair or replacement.

Gas Appliance Inspection Form lists the procedure for surveying all gas appliances in a household for proper venting, carbon monoxide production, combustion efficiency, and safe operation. It must be completed at the initial inspection, interim inspection (when necessary) and at final inspection (QCI). It must be signed and dated by the initial auditor, the person inspecting the repairs or performing the repairs and the QCI. See *Appendix M – Gas Appliance Inspection Form*.

DSTO Form is the Daily Safety Test-Out Form to perform CAZ and gas appliance testing. The DSTO form must be onsite and filled out for each day shell work is performed on the unit. The most current form with multiple testing days can be found in the 2015 Field Guide SWS-Aligned Edition or *Appendix P – Daily Safety Test-Out Form*.

Client Consent Form is a release of liability form that provides a waiver given by the occupant/owner of the dwelling to the local Weatherization Subgrantee providing weatherization services. The Client Consent must be thoroughly reviewed with the client prior to being signed by the client and a copy left with the client. All files **must** contain this signed form including initialed releases for lead, mold, smoke and carbon monoxide alarms. *Appendix H – Client Consent Form*.

Lead Paint Hazards Notification requires that a weatherization client receive written explanation of the dangers of lead-based paint in the form of the EPA booklet, “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools.” This booklet can be found by going to the EPA’s website <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf> (July 2011). It is mandatory that the client receives the EPA booklet and initials the “Client Consent Form” in written acknowledgment of its receipt before weatherization work can begin on their home. *Appendix H – Client Consent Form*.

Mold Hazards Notification requires that a weatherization client receive written notification of the potential health risks of mold and high moisture levels in the form of the EPA booklet, “Mold, Moisture, and Your Home.” This booklet can be obtained from EPA’s website <http://www.epa.gov/iedmold1/pdfs/moldguide.pdf> (Sept. 2010) This information has been combined with the Client Consent Form that is a release of liability and this notification must be signed before any work can begin on the home. *Appendix H – Client Consent Form*

Indiana Moisture Assessment lists moisture conditions that exist in the home at the time of initial audit before any weatherization measures were installed. These conditions must also be confirmed by the shell crew/contractor prior to performing their work. This form must be present in every file and be signed by the client, the energy auditor and the Retrofit Installer – Shell technician when complete Weatherization services are provided. In cases of deferral, the form must be signed by the client and the Energy Auditor and be included with the deferral documentation in the client file. *Appendix O – Moisture Assessment Findings Form.*

Fuel Switch Approval documentation must be in the client’s file if applicable. **A print out of the approval email from IHCD’s Community Programs Policy and Technical Specialist is the required documentation.** A fuel switch must be requested prior to the start of work and must be requested for each fuel switch completed. Specific details required to perform a fuel switch can be found in Section 302.9.

Pictures of Lead Safe Work Practices (LSWP) set-up and work performance on all homes built prior to 1978 where assumed or verified lead-based paint will be disturbed.

Radon Informed Consent Form Clients must sign an informed consent form prior to receiving weatherization services. This form must be kept in the client file. In homes where radon may be present, work scope should include precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades, to reduce the possibility of making radon issues worse. Subgrantees must provide a copy of EPA’s [A Citizen’s Guide to Radon](https://www.epa.gov/radon/citizens-guide-radon-guide-protecting-yourself-and-your-family-radon) (<https://www.epa.gov/radon/citizens-guide-radon-guide-protecting-yourself-and-your-family-radon>) to all clients, and inform them of radon related risks.

A complete list of all agency staff and contractors who have worked in the client’s home. This must include the full names of the auditor, crew members, contractor and contractor employees (both Shell and Mechanical). This information may be provided on the contractor invoice where appropriate.

PLEASE NOTE: If an employee of a Subgrantee is applying for assistance through the Weatherization program, a note must be included in the file indicating that the Subgrantee Executive Director has reviewed and approved their application.

SECTION 300

SERVICE PROVISION

301 CLIENT PRIORITIES

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the Policy and Procedures Manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from IHCD prior to working on a unit. This approval only applies to the unit the request was made for and must be printed and placed in the client file.

Once eligibility has been determined, the Subgrantee must follow its client priority policy. Each Subgrantee will develop written procedures by which it assigns priority eligible households. In accordance with 10 CFR 440.16, priority must be given in identifying and providing weatherization assistance to households where one or more of the following exist:

1. High energy usage
2. High energy burden
2. Elderly household member(s) (60 years or over)
3. Disabled household member(s)
4. Household member(s) under the age of 18

Households who do not meet at least one of the priority categories may only be served if all eligible priority households in the Service Provider's territory have been served. Within the above listed priority, Subgrantees may choose the order in which households are served. Priority systems must be applied equally to both renter and owner occupied dwellings and applied equitably to all areas of the Subgrantee's territory.

Subgrantees may choose to consider using the oldest application approval date for positioning applicants with priority points. An application with at least one priority point may be moved up on the list when working in the same area to save travel time.

Agencies that choose to develop their own methods for prioritizing clients must still adhere to federal regulation 10 CFR 440.16(b), develop written procedures, and seek approval of the methodology from IHCD.

302 OVERVIEW OF WEATHERIZATION ACTIVITIES

Each home that receives weatherization will have measures installed that are specific to the needs of the home; however, the process by which those measures are determined is standard across the state as outlined within the DOE-approved Waiver Audit Priority Lists.

In brief, the following activities must be completed on every home that is weatherized:

- Previously Weatherized – For DOE funded weatherization, each unit must be evaluated prior to weatherization to verify that such activities have not taken place at the unit after September 30, 1994. For LIHEAP funded weatherization, a unit is limited to re-weatherization for five years rather than the DOE date. **See Section 302.1 below for verification procedures.**
- An initial audit to determine which weatherization measures are most appropriate for the client's home. The initial audit also includes a health and safety evaluation.
- Health and safety measures must be completed to ensure the safety of the occupants and weatherization personnel working in the client's home. Detailed health and safety guidelines are found in section 303 of this document.
- General heat waste reduction measures so as to increase the energy efficiency of the home and reduce the household's energy burden.
- Client energy education to provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their homes.
- An interim inspection is required to evaluate work performed on the mechanical systems if the home is a non-total electric home and received mechanical work beyond a clean and tune. **Interim inspections must be performed by a properly trained Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical.** IHCD prohibits anyone inspecting their own work that results in payment from the Subgrantee.
- A QCI/final inspection to ensure that work was completed in a competent and professional manner, work was done in accordance with the approved procedures, that measures installed have yielded diagnostic and energy efficient improvements, and that all materials have been properly installed per DOE and IHCD regulations. All weatherized homes must be final inspected by a certified DOE/BPI Quality Control Inspector (QCI) and utilize Indiana's standardized Final Inspection Form.
- Subgrantee shall ensure that all Weatherization staff and sub-contractors who perform or provide Weatherization services to client homes receive and adhere to all standards as outlined in Indiana's Weatherization Field Guide SWS-Aligned Edition, Indiana's Weatherization Policy and Procedures Manual, the Department of Energy Weatherization Assistance Program State Plan for Indiana and other State Weatherization directives as applicable. It is the Subgrantee's responsibility to follow all work standards as outlined in the documents referenced in this paragraph as well as their responsibility to ensure Weatherization staff and sub-contractors receive these documents to guide the Weatherization work performed in client homes.

- Subgrantee shall include language in sub-contractor contracts specifying that all Weatherization services will be performed to the standards outlined in the bullet point immediately preceding this one.

302.1 Previously Weatherized

DOE: Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** the unit is not eligible for additional weatherization services utilizing DOE funds. Please reference WPN 13-1, section V.1.2. A “Reweatherized” unit falls into the category of time indicated above and described under 10 CFR 440.18(e)(2)(iii).

The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

1. Each client’s address must be entered into IWAP to identify whether the home has been weatherized during or after 2000 (length of IWAP historical records);
2. Each client must be asked whether their home has been weatherized after September 30, 1994; and
3. A visual inspection of each home must be performed by an energy auditor to identify if previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Subgrantee may proceed with weatherization services on the unit.

If any of the above actions indicate or suspect that weatherization services have previously been rendered in a home, the Subgrantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to the address. Incumbent local agencies must cooperate with these inquiries from IHCD or from new weatherization service providers. Failure of any Subgrantee to comply with any such request could result in immediate suspension of payments under its DOE grant agreement or termination of its grant agreement by IHCD.

LIHEAP: Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing LIHEAP funds, Subgrantees may provide weatherization services to a dwelling unit previously weatherized provided that it was at least **5 years** prior to the beginning of the current LIHEAP program year. (Example: Current LIHEAP grant year starts 10/1/18; 5 years prior to this date is 10/1/13 – the home would have to have received weatherization services through LIHEAP **prior** to 10/1/13 to be eligible for Weatherization services utilizing LIHEAP current year funds.)

The following actions must be taken on each LIHEAP unit prior to weatherization services to ensure that homes that have received weatherization services within the last five years as outlined above:

1. Each client's address must be entered into IWAP to identify whether the client's home has been previously weatherized and determine what the date is;
2. Each client must be asked whether their home has been weatherized previously and when the weatherization took place;
3. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Subgrantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Subgrantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCD or from new weatherization service providers. Failure of any Subgrantee to comply with any such request could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHCD.

A "rework" is different from a "reweatherized unit" and is defined in Section 309.

302.2 Initial Audits

Prior to any weatherization activities, each eligible home must undergo a whole-home audit by a trained energy auditor (as defined in Section 600). Audits are conducted according to either the DOE-approved waiver audit priority list for site built homes or mobile homes or by performing a NEAT or MHEA run. (Refer to sections 302.6-302.7)

302.3 Interim Inspections

Each Weatherization Subgrantee is required to complete an interim inspection on every home that received mechanical repairs or replacements unless the repairs only consisted of a clean and tune or when a home is a total electric home. **An interim inspection is an evaluation of the mechanical work completed and is required to be completed by a properly trained Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical.** This inspection must occur prior to contractor/vendor payment and before shell work can start.

This interim inspection includes completing either the New Furnace Installation Inspection form or the post/interim column of the respective Heating System Evaluation form depending on measures performed. This inspection must be performed by a trained Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical (as defined in Section 600) and must be completed prior to payment to the contractor. IHCD prohibits anyone inspecting their own work

that results in payment by the Subgrantee. This includes a QCI calling for additional work to be completed. In this situation, the original QCI cannot inspect the additional work. For interim inspections performed by a QCI, it is best practice for the QCI to share the results of the inspection with the Energy Auditor. If a re-work or additional measures are needed, the Energy Auditor and/or Weatherization Program Manager are responsible for ensuring the needed work is completed. This interaction must be documented and/or tracked on change orders.

If work cannot be inspected within 45 days of invoice, an interim inspection must be performed to verify that the heating work is done correctly insuring payment can meet the required 45 day deadline. It is recommended that the interim inspection, whenever possible, be done on the last day the mechanical contractor is in the home. This prevents trying to access the home without a contractor present to make any necessary changes or repairs.

302.4 Final Inspections

Each Subgrantee is required to complete a pre- and post- inspection of each unit receiving weatherization. A dwelling unit may not be reported to DOE as completed until:

1. A final inspection has been performed in accordance with 10 CFR 440.16(g).
2. The final inspection has been performed by a DOE Quality Control Inspector as outlined in Section 600 and WPN 15-4. All final inspections must be performed by a certified DOE/BPI Quality Control Inspector (QCI).
3. All materials have been properly installed.

In the event that a dwelling cannot be entered for final inspection, the client file must contain documentation of why the final inspection was not completed under normal circumstances and that a Provisional Closeout was approved, in writing, by IHCD. Multiple documented attempts must be made before the Weatherization Subgrantee can request a Provisional Closeout. At a minimum, **three verifiable attempts** must be made to schedule a regular final inspection.

Homes approved for a Provisional Closeout will not be allowed to be counted as a completion. However, costs can be spread across grant completions and claimed to IHCD. The Weatherization Subgrantee must submit a written request for approval to IHCD's Community Programs Policy and Technical Specialist. The request should detail the specific circumstances related to the issue and why access to the dwelling has been denied or is unavailable. All appropriate documentation, such as letters to the client, should be included with the request. Final correspondence with the client must include language informing the client this is the last communication to be made unless client responds within the allotted time frame. The client must also be informed of IHCD's appeals process. Additional guidance can be found under Section 202, Required Forms.

IHCD's Community Programs Policy and Technical Specialist will respond in writing to approve or deny the request for a Provisional Closeout or to request additional information. Until the

written approval from IHCD is received, final claims cannot be submitted for the unit, nor can the dwelling be counted as a completion.

It is recommended that Weatherization Subgrantees, whenever possible, complete the final inspection process on the last day that contractors or crews will be in the dwelling, as this eliminates the need to gain access to the unit after services have been rendered.

302.5 Client Energy Education

Client energy education is a mandatory measure under the audit priority list in Indiana. Knowledge about energy use and basic concepts behind energy conservation should be shared with each household during the initial client intake and continue throughout the weatherization process. This continuous process enables occupants to see how their home acts as a system, their effect on that system, and how measures performed will keep them safe and comfortable while saving energy. IHCD provides sources of information to Subgrantee personnel such as energy conservation tips and brochures to use as aides while conducting energy education. Additional energy education material is available at WAPTAC.org and on the DOE website.

When possible, during 2018-2019 Weatherization grant cycle, INCAA will work with IHCD to research and/or develop additional enhanced energy education materials to provide to Subgrantees.

302.6 DOE-approved Waiver Audit Priority List

Indiana uses three (3) priority lists:

- Single-story site-built homes
- Two-story / Cape Cod-style homes
- Mobile homes

The priority lists are based on measures specified by the National Energy Audit Tool (NEAT) and the Manufactured Home Energy Audit (MHEA). 1-4 units are still classified as single family but because they were not modeled in the NEAT runs presented with the priority lists, they will require NEAT runs for the work scope. The current approved mobile home priority list does not include doublewide mobile homes, or manufactured housing sitting on block foundations. Until further notification from IHCD, doublewide mobile homes and manufactured homes over foundations will require MHEA runs. These priority lists are approved by DOE for the state of Indiana every five years for these audits. The most recent approval of the site-built and mobile home priority list was September 2016. The current site-built Waiver Audit Priority Lists and Mobile Home Priority List will expire in September of 2021.

When DOE funding is used to pay for a furnace replacement, Subgrantees must run a NEAT or MHEA audit, and the NEAT/MHEA workscope must be followed on the structure. If the structure meets the criteria outlined in 302.7, the waiver audit priority list may be followed. A NEAT/MHEA run will not be required if the structure meets the criteria outlined in 302.7 and the waiver audit priority list is followed, or if LIHEAP funds are used. For allowable funding combinations between DOE, LIHEAP and State LIHEAP, see section 508: *Funding Combinations*.

Any unit that does not meet the criteria in 302.7, NEAT/MHEA must be run regardless of the funding stream.

Caution should be taken before moving LIHEAP mechanical costs for this measure over to DOE as DOE does require a NEAT/MHEA run for this measure. Addendum #3 Fall 2016

Stated in WPN 13-5, DOE considers manufactured housing any housing built off-site that includes axles or a frame as a major design consideration for transport on public roads (e.g. light weight) and includes mobile homes.

10% of Subgrantee DOE completions must utilize NEAT and/or MHEA runs for the 2018-19 DOE Grant period.

302.7 Single Family and Mobile Home Priority Lists

NEAT and/or MHEA should be used instead of the waiver audit priority list in the following circumstances:

- When the building doesn't match the models
- The examples below were not modeled, therefore a NEAT/MHEA run would be necessary
 - A-frames
 - Tri-levels
 - Walk-out basements
 - Propane, wood or oil as heating source
- Must run NEAT/MHEA for all furnace replacements using DOE funds
- All mobile homes built prior to 1977
- All double-wide units
- All manufactured homes on foundations
- When a Subgrantee wants to use more than the 17% allowed for Incidental repairs, NEAT/MHEA must be used.

Each home must follow the designated measures on the respective priority list unless NEAT or MHEA is run on the home. Please reference Appendix I of this document for Indiana's approved priority lists.

302.8 Multi-Family Audits

The following multi-family rules and regulations apply to both DOE and LIHEAP funded weatherization projects.

For energy audit purposes, DOE considers multi-family buildings to be those containing five dwelling units or more. For multi-family buildings containing less than 25 units (5-24 units), and the units are individually heated or cooled, a NEAT run must be performed to determine the proper work scope.

In order to weatherize an apartment, all units in the affected building must be weatherized. In Indiana this includes duplexes, buildings with three or four units and buildings with five or more units.

Subgrantees must submit a plan to IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building.

For multifamily buildings containing 25 or more units per building, Subgrantees must contact IHCD to begin the process of reviewing the building to be considered for weatherization. Subgrantees or their contractors are responsible for performing a multifamily audit using the Multifamily Tool for Energy Audits (MulTEA) software, or other DOE-approved software, and are responsible for all costs associated with performing this audit, and, submitting the results to IHCD and DOE for approval.

Criteria for Multi-Family Units:

- 4 or fewer units do not require the submission of a plan to IHCD
- 5-24 units require submission of a plan to IHCD, NEAT audit
- 25+ units require submission of a plan to IHCD, TREAT audit

Plans must include, at a minimum, the following information:

- Address of the multiunit building
- Current description (i.e. total number / income qualified / vacant)
- Proposed funding source(s)
- Subgrantee organizational capacity

Following DOE guidance as outlined in Weatherization Program Notice (WPN) 16-5, significant energy savings must be reflected in each project. The WAP file for each building should contain at least the following information from the energy audit:

- The recommended statement of work including the savings-to-investment ratios (SIRs) of each measure and the total project SIR.
- If any measures were bought down or otherwise leveraged the documentation must show the pre-leveraged SIRs of each individual measure and the pre-leveraged project SIR.

- Documentation must include the other sources that funded each bought down measure. Either a printed file showing all of the building audit inputs and outputs or the immediately accessible electronic file that shows all the audit inputs and outputs.
- Final installed costs of each measure and the total project cost. If the project went through the bidding process, then all bid prices winning and losing bids must be in the file.
- All specifications defining each measure.
- Brief narrative with photos describing the building(s), including its age, its condition, number of units, spatial orientation(s), heating/cooling type (central or distributed) and condition, and any other notable conditions.
- Building assessment sheets, such as lighting inventory; heating/cooling equipment and controls; air leakage determination; water usage information; combustion/CO/CAZ testing; insulation type and levels; baseload analysis; windows and doors type and orientation; health and safety concerns, etc.
- Weatherization statement of work, project timeline, and projected costs (materials and labor), any landlord contributions or buy down provisions.
- Complete copy of the audit showing all inputs/outputs (or engineering assessments and report) including a narrative describing the methodology used to assess the building(s) (i.e. was every building individually audited, or were a sample audited and the others assumed to be the same).
- **Note:** All associated health and safety costs incurred on a dwelling unit are generally treated outside the SIR when determining cost-effectiveness. However, all energy-related incidental repair measures associated with weatherizing the dwelling units are a part of the SIR when determining cost-effectiveness.

Following WPN 16-5, at the Subgrantee discretion, building owners may also buy down measures they typically prioritize as needs – like furnace or boiler replacements or new fenestration – that do save energy but don’t achieve an SIR of one (1) or greater as a stand-alone measure.

It is IHCD’s intent to allow Subgrantees some flexibility in calculating the SIR for a specific measure when other funds can be used to offset some of the costs, thereby reducing the WAP investment on the remaining investment. It is not IHCD’s intent, however, to participate in projects that do not demonstrate overall cost effectiveness in design and installation.

DOE expects that all Subgrantees will use this SIR calculation allowance only when the cost effectiveness for the entire investment in the property can still be substantiated. In other words, a measure can be bought down only when the overall SIR of the package of measures, including the full cost of the measure that will be bought down, is 1.0 or greater.

Example: In order for a measure to qualify for the buy-down, the package of measures, including the full cost (the pre-buy-down cost) of the measure which is to be bought down, must have an SIR =1.0.

Regardless of the funding source, only measures on a list of measures with a cumulative SIR of 1 or greater may be paid for in any portion with WAP funds.

Subgrantees should follow WPN 16-5 for guidance and utilize INCAA and IHCD for technical support. More information for weatherizing multi-family dwelling is located within DOE regulations on WAPTAC, in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.

During PY 2018-2019, IHCD will work with INCAA to provide regularly updated fuel pricing to Subgrantees to ensure that accurate NEAT and MHEA audits are being performed, and costs are justified.

302.9 Fuel Switching

According to the DOE fuel switching is only allowed on a case by case basis. DOE's WPN 13-5, Section 5.11 states: The DOE Weatherization Assistance Program does not permit the general practice of non-renewable fuel switching when replacing furnaces/appliances. However, DOE does allow the changing or converting of a furnace/appliance (water heater) using one fuel source to another on a limited, case-by-case basis only. Please reference WAP Memorandum 011 for additional information and guidance.

Subgrantees interested or needing to perform a fuel switch for furnaces or water heaters based upon Health and Safety reasons must request permission from IHCD's Community Programs Policy and Technical Specialist. Each request must be submitted via e-mail and contain thorough documentation explaining why the fuel switch is deemed necessary. The fuel switch and subsequent work on the home cannot take place until written approval is issued by IHCD. IHCD's response must be placed in the client file for future reference, whether the request was approved or not. Requests for fuel switching should include, but not be limited to: the reason(s) the fuel switch is needed, the current fuel source, the new or different fuel source, CAZ testing results, draft testing results where applicable and digital photographs where possible.

In instances where Subgrantees wish to perform a fuel switch for energy efficiency reasons, the fuel switch request must include a properly completed NEAT or MHEA run.

The requirements outlined above apply to both DOE and LIHEAP funded Weatherization homes.

303 HEALTH AND SAFETY

It is imperative to ensure that weatherization activities do not cause or exacerbate health and safety problems for workers and clients. The DOE-approved health and safety measures are undertaken to ensure that the pending weatherization work does not create dangerous living conditions for the client or Weatherization workers. Health and safety activities are remedied before, or because of, the installation of weatherization materials and must occur within reasonable cost boundaries that get the home to a condition where weatherization work can move forward or be completed. Please reference the Indiana Weatherization Field Guide SWS-Aligned Edition for additional guidance on Health & Safety requirements. According to 10 CFR Part 440, allowable energy related health and safety actions are those actions necessary to maintain the physical wellbeing of both the client and/or weatherization worker where:

- Costs are reasonable as determined by the DOE in accordance with the State's approved State Plan; AND
- The actions must be taken to effectively perform weatherization work; OR
- The actions are necessary as a result of weatherization work.

On their initial visit, energy auditors identify any hazards present in a home and determine whether the hazard poses a health danger to occupants, crews, or contractors. Homes where Health and Safety hazards are found that cannot be properly addressed within the scope of Weatherization funding will be deferred.

DOE has released an update to WPN 11-6 and WPN 11-6a in WPN 17-7. Indiana's Weatherization Assistance Program follows DOE's WPN 17-7 to address Health and Safety issues.

303.1 Health and Safety Guidance

Health and safety issues must be remedied before, or because of, the installation of weatherization materials.

The following provisions apply to the health and safety issues listed below, where applicable:

- In the case of replaced heating systems and water heaters, the replaced units will be disabled at the time of removal to prevent the appliance from being installed or used in a different location.
- Where moisture or water hazards are identified, clients will be informed in writing of the hazards on the Moisture Assessment Form. A copy of the Moisture Assessment Form is kept in the client's file and is signed by the client, energy auditor and shell personnel.
- State and local codes or IHEDA policy, whichever is most stringent, must be followed while installing health and safety measures.
- Crews and contractors installing health and safety measures must be trained per IHEDA's Weatherization Training Competency as outlined in Section 600 of this document.

303.2 Allowable Actions, Testing, Client Education and Training

The following details specify Health and Safety systems and the approved State Plan method for allowable actions, testing, client education, and training.

303.2.1 Air Conditioning and Heating Systems

Action/Allowability:

“Red tagged”, inoperable or inefficient heating systems replacement, repair, or installation is allowed with DOE and LIHEAP funds. **Repairs to an air conditioning system may only be made when current operations of the AC system inhibit or affect the operation of the furnace, or when the cooling system is an integral part of the operation of the heating system, such as a heat pump (For instance, if the A-coil above a furnace is leaking water onto the heat exchanger, the A-coil can be replaced. Repairs to outside units is generally not allowable.).** Repairs can be charged to either DOE Health & Safety or LIHEAP Mechanical. The Subgrantee will first determine whether repairs can effectively be made to the heating system to enable it to operate safely and within IHCD standards, rather than require a replacement. Subgrantees are allowed to replace heating systems in circumstances, as follows:

- A verifiable condition exists that allows combustion gases to enter the living environment. For example, a breach in the heat exchanger that allows combustion gases to mix with the air in the ductwork.
- An improper application of a non-sealed combustion furnace, installed in a mobile home. Mobile homes are required to have furnaces that draw their combustion air from outside the carriage. The installation of a furnace in mobile homes that is intended for use in site built homes is not allowed.
- **Heating systems can be replaced when the NEAT or MHEA audit shows the replacement to meet an SIR of 1 or greater. Subgrantees must run a NEAT/MHEA audit when DOE funding is used to pay for a furnace replacement. The NEAT/MHEA workscope must be followed once a NEAT/MHEA audit has been performed on a structure.**
- The cost of necessary repairs will exceed 50% of the cost of installing a new furnace.
- **Replacement parts are no longer produced, or available.**
- **If the fuel source is no longer available to the client, the Subgrantee must submit a request to IHCD's Community Programs Policy and Technical Specialist requesting the change of the fuel source and heating system, and requests will be evaluated on a case-by-case basis.**
- **Subgrantees must request approval from IHCD's Community Programs Policy and Technical Specialist prior to weatherizing homes without an existing heat source.**

Before a new furnace is installed in a weatherization dwelling unit, the proper size of the furnace must be determined. Subgrantees will determine the correct output size of the replacement furnace using Manual J heat load calculations or equivalent method. The load calculations

performed within NEAT or MHEA are not considered to yield proper furnace sizing criteria within Indiana's Weatherization Assistance Program.

Testing:

Health and Safety inspections ensure that the systems are present, operable, and performing. The health and safety inspection of combustion appliances, including heating systems, will include but not be limited to the following items:

- The rated and measured BTU input of each gas furnace.
- A complete electrical inspection of the furnace including proper grounding, polarity, wiring connections, fuse type and size, element amperage (electrical furnace), disconnect requirements and conduit requirements.
- An inspection of all gas lines in the home from the source to the gas appliances or line termination. This includes all fittings, connections, shut-off valves, gas valves, sediment traps and end caps.
- An inspection for spillage and a draft test of the gas furnace and water heaters (Completion of the Indiana Gas Appliance Inspection Form).
- A visual inspection for flame interference.
- A test of the setting and operation of the high limit control switch.
- An evaluation of the adequacy of combustion air for combustion appliances.
- An inspection ensuring there are no open returns or return air leakage within the Combustion Appliance Zone.
- Carbon monoxide testing of all gas appliances.
- An inspection and replacement if necessary, of the furnace filter.
- Worst case draft test (Completion of the Daily Safety Test-Out Form).
- ASHRAE 62.2 measurements and testing.

Client Education:

Auditors will discuss and provide information on appropriate use and maintenance of heating systems.

Training:

Auditors receive extensive training in the evaluation of residential heating systems. IHCD heating systems forms document the condition and testing results of the heating system and are required to be in every client file.

303.2.2 Appliances and Water Heaters

Action/Allowability:

Replacement of water heaters is allowed with DOE Base funds if NEAT/MHEA determines the appliance can be justified as an ECM prior to replacement. If this is not possible, they may be

replaced as a DOE H&S measure. Replacement and installation of other appliances, including gas cook stoves, are not allowable DOE health and safety costs. Replacement of gas cook stoves is only allowable with LIHEAP funds and in following appropriate LIHEAP program rules. Repair and cleaning of water heaters, stoves and furnaces is allowed with

Indiana's Weatherization Assistance Program justifies water heater replacement for the following reasons:

- Existing water heater is leaking beyond repair, hindering the Weatherization process from proceeding and causing continuing and worsening moisture conditions in the home,
- Gas burner deficiencies, venting issues [draft], interior baffle issues, or a combination of such that renders the gas water heater beyond repair and a health and safety hazard to the household, and/or
- Carbon monoxide production above Indiana's standards that cannot be lowered by cleaning, adjusting or repairing

Subgrantees are required to document the reasons for replacing the water heater in the client file.

Testing:

Subgrantees will determine whether water heaters are performing safely. Combustion safety testing is required on all gas water heaters. The health and safety inspection of combustion appliances, including water heaters, includes the following items:

- An inspection of all gas lines in the home from the source to the gas appliances or line termination. This includes all fittings, connections, shut-off valves, gas valves, sediment traps and end caps.
- An inspection for spillage and draft of the gas furnace and water heater (Completion of the Indiana Gas Appliance Inspection Form).
- An evaluation of the adequacy of combustion air for combustion appliances.
- An inspection ensuring there are no open returns or return air duct leakage within the Combustion Appliance Zone.
- Carbon monoxide testing of all gas appliances.
- Check for a properly installed temperature and pressure relief valve on the water heater.
- Measurement and adjustment, if needed, of the water temperature.
- Worst case draft test. (Completion of Daily Safety Test Out Form as required)

Client Education:

Discuss and provide information on appropriate temperature setting, length of showers, use of low flow faucet aerators, low flow shower heads and proper maintenance of the water heater.

Training:

Auditors receive extensive training in the evaluation of combustion appliances, including water heaters. IHEDA heating systems forms document the condition and testing results of all water heaters and are required to be in every client file.

303.2.3 Asbestos - in siding, walls, ceilings, etc.

Action/Allowability:

Cutting or drilling of asbestos siding is not allowed. In homes where asbestos siding exists and exterior wall insulation is needed, IHCDCA recommends, where possible, insulating the walls from the interior of the home. If this is not possible, the existence of asbestos siding that is in good condition does not prevent installing dense-pack insulation from the exterior. Siding may be removed and reinstalled in order to perform the ECM, and the associated costs may be charged as part of the ECM. General abatement of asbestos siding or replacement with new siding is not an allowable H&S cost. Abatement of asbestos siding or replacement with new siding may be considered an allowable State LIHEAP or LIHEAP cost on a case-by-case basis.

Testing:

Visually inspect exterior wall surface and subsurface, floors, walls, and ceilings for suspected ACM prior to drilling or cutting. Asbestos Hazard Emergency Response Act of 1986 (AHERA) sample collection and testing must be conducted by a certified tester.

Client Education:

Inform the client in writing that suspected Asbestos Containing Materials (ACMs) are present and what precautions will be taken to ensure occupant and worker safety during weatherization. Formally notify client in writing of results if testing was performed.

Training:

Asbestos training is available at the Environmental Management Institute (EMI). Neither asbestos training nor certification is required by IHCDCA. As such, IHCDCA does not cover the cost for asbestos training. Basic knowledge of asbestos is covered within the scope of other Weatherization trainings offered through INCAA. Contractor training courses will teach safe practices for siding removal and replacement and how to identify asbestos containing materials.

303.2.4 Asbestos - in vermiculite

Action/Allowability:

Weatherization workers must recognize materials that may contain asbestos and avoid disturbing them. When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos. Following WPN 17-7, Subgrantees must **not** perform a blower door **depressurization** test in a building where friable asbestos or vermiculite are present. Unless the suspect material has tested negative for asbestos, a blower door **pressurization** test must be

performed, and must be documented in the client file. When blower door tests are performed, safe practices include, but are not limited to, utilizing the appropriate personal protective equipment, limiting dust production, limiting foot traffic from the attic to the home, wetting the area to be disturbed and limiting the amount of vermiculite disturbed. Encapsulation by an appropriately trained asbestos control professional is allowed. Removal is not allowed. When deferral is necessary due to asbestos, occupant must provide documentation that a certified professional performed the remediation before work continues.

Testing:

Sampling and testing for asbestos may only be performed by Indiana licensed asbestos building inspectors. Baseline environmental asbestos sampling is an allowable H&S cost.

Client Education:

Clients will be notified of the existence of vermiculite in the attic and basic precautions against disturbing the material. Instruct clients in writing not to disturb suspected ACMs. Provide asbestos safety information to the client. Formally notify client in writing of results if testing was performed. When deferral is necessary, provide information in writing describing conditions that must be met in order for weatherization to commence.

Training:

Asbestos training is available at the Environmental Management Institute (EMI). Asbestos certification is not required by IHCD, and as such IHCD does not cover the cost for asbestos certification. Basic knowledge of asbestos in vermiculite is covered within the scope of other Weatherization trainings offered by INCAA.

303.2.5 Asbestos - on pipes, furnaces, other small covered surfaces

Action/Allowability:

Auditors receive training within other courses offered at INCAA instructing them on the appearance of asbestos tape and insulation. Upon finding these materials in homes the auditors should assume that these materials contain asbestos and use precautionary measures including, but not limited to, utilizing appropriate personal protective gear, limiting dust production and limiting disturbance of the material. Assume asbestos is present in suspect covering materials unless testing determines otherwise. Encapsulation by an appropriately trained asbestos control professional is allowed and may be conducted prior to blower door testing if the materials are friable. Subgrantees may be allowed to remove by an appropriately trained professional on a case-by-case basis and may charge only those costs directly associated with the testing, encapsulation, or removal to the H&S budget

category. When deferral is necessary due to asbestos, occupant must provide documentation that a certified professional performed the remediation before work continues.

Testing:

Subgrantees must assess whether suspected ACMs are present. Sampling and testing for asbestos may only be performed by Indiana licensed asbestos building inspectors.

Client Education:

Clients are to be instructed in writing not to disturb suspected asbestos containing material. Asbestos safety information should be provided to the client, and formally notify the client in writing if testing was performed. When deferral is necessary, provide information in writing describing conditions that must be met in order for weatherization to commence.

Training:

Asbestos training is performed at the Environmental Management Institute (EMI). Asbestos certification is not required by IHCD. As such, IHCD does not cover the cost for training. Basic knowledge of asbestos is covered within the scope of other Weatherization trainings offered by INCA.

303.2.6 Biological and Unsanitary Conditions - odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.

Action/Allowability:

Biological and unsanitary conditions that cannot be remedied within reasonable Health and Safety expenditures will be reason for deferral. **Addressing bacteria and viruses is not an allowable cost.** Deferral may be necessary in cases where conditions in the home pose a health risk to occupants and/or weatherization workers.

Testing:

Auditors will conduct a sensory inspection for biological and unsanitary conditions during all inspections of the home.

Client Education:

Auditors will inform the client of observed conditions. Auditors will provide information on how to maintain a sanitary home and steps to correct deferral conditions where applicable.

Training:

Auditors receive training on how to recognize biological and unsanitary conditions and how to properly address these issues within the work scope development or deferral process.

303.2.7 Building Structure and Roofing

Action/Allowability:

Building rehabilitation is beyond the scope of the Weatherization Assistance Program. Homes with conditions that require more than incidental repairs will be deferred. Homes that have been deferred for structural issues considered beyond the scope of weatherization may be eligible for State LIHEAP, Healthy Homes, or OOR funds to address these issues on a case-by-case basis. Minor repairs and installation may be conducted only when the H&S of the occupant/worker(s) is at risk, or necessary to effectively weatherize the home; otherwise, these measures are not allowed. Allowable or "minor" structural and roofing repairs are considered as either H&S repair costs or included as Incidental repairs.

Testing:

Auditors will conduct a visual inspection of the building structure and roofing. Auditors will ensure that access to areas necessary for weatherization is safe for entry and performance of assessment, work, and inspection.

Client Education:

Auditors will notify clients of structurally compromised areas.

Training:

Auditors are trained on how to identify structural and roofing issues.

303.2.8 Code Compliance

Action/Allowability:

Correction of preexisting code compliance issues is not an allowable cost in areas other than where weatherization measures are installed. When correction of preexisting code compliance issues is triggered and paid for with WAP funds, cite specific code requirements with reference to the weatherization measure(s) that triggered the code compliance issue in the client file. State and local (or jurisdiction having authority) codes must be followed while installing weatherization measures. Condemned properties and properties where "red tagged" health and safety conditions exist that cannot be corrected under this guidance should be deferred. Homes that have been deferred for code compliance issues considered beyond the scope of weatherization may be eligible for State

LIHEAP, Healthy Homes, or OOR funds to address these issues on a case-by-case basis. In every case of code compliance, Indiana indicates that the local code requirement is the Authority Having Jurisdiction (AHJ), and if it is determined that the code compliance issue cannot be resolved using traditional weatherization funds (DOE, LIHEAP, State LIHEAP, utility funds), the home must be deferred.

Testing:

Auditors will conduct a visual inspection for local code infractions or deficiencies.

Client Education:

Inform client in writing of observed code compliance issues when it results in a deferral. When deferral is necessary, the Subgrantee must provide information in writing describing conditions that must be met for weatherization to commence.

Training:

Auditors, QCIs, and contractors are all instructed how to determine what code compliance may be required.

303.2.9 Combustion Gases

Action/Allowability:

All gas furnaces, space heaters, and water heaters must be properly vented to ensure all flue products exit the home. Flue systems must meet all code and IHCD requirements and be verified to vent properly by passing all IHCD required draft testing. Repair and/or replacement of vent systems are an allowable cost for DOE Health & Safety and LIHEAP Mechanical funding. The Subgrantee may not continue with weatherization work, particularly air sealing the structure, until the flue products are appropriately vented away from the living area and outside the structure. Appropriately vented means that the vent system meets all code and IHCD requirements and is verified to vent by passing all IHCD required draft and CAZ testing. In the case of a plugged or non-functioning vent on a combustion appliance, appropriate steps must be taken to repair or replace the vent system.

Testing:

All vent systems for gas furnaces, gas space heaters and gas water heaters will be visually inspected to verify code compliance and draft tested in accordance with IHCD regulations. These tests will require the following:

- Completing the Indiana Gas Appliance Inspection Form
- Completing the New Furnace Installation Inspection Form, where applicable

- Completing the Daily Safety Test Out Form

Client Education:

Auditors will inform clients that all gas furnaces have been tested and are working properly upon completion of the work. Auditors will provide clients with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO.

Training:

Auditors receive extensive training in the evaluation of combustion appliances. All combustion appliances must be tested in accordance with IHCD requirements and the proper forms documenting test results placed in the client file. Measurement and careful consideration of the air leakage rate of the dwelling unit prior to, and during, the course of air sealing, are important steps in the weatherization process to ensure safety and appropriateness of the weatherization measures.

303.2.10 Drainage - gutters, down spouts, extensions, flashing, sump pumps, landscape, etc.

Action/Allowability:

Major drainage issues are beyond the scope of the Weatherization Assistance Program. Homes with drainage issues that cannot be addressed within weatherization funding constraints are cause for deferral unless other funds are available to address the home's needs. Please refer to section 900.

Testing:

Auditors will conduct a visual inspection for drainage issues.

Client Education:

Auditors will inform clients of the importance of cleaning and maintaining drainage systems.

Training:

Auditors receive training on how to recognize drainage issues.

303.2.11 Electrical - Other than knob-and-tube wiring

Action/Allowability:

Minor electrical repairs are allowed where the health and safety of the client is at risk or the repairs are necessary for Weatherization services to continue. Minor repairs are generally defined as, but not limited to, the following: Installation of junction boxes, installation of junction box covers, flagging of junction boxes, replacement of broken outlets and switches, etc.

Testing:

Auditors will conduct a visual inspection for electrical issues. They will also conduct voltage drop and voltage detection tests when necessary.

Client Education:

Auditors will provide information to clients on overloading circuits, electrical safety, and electrical risks, especially when electrical issues are the cause of a deferral.

Training:

Auditors are trained in how to identify electrical hazards and are knowledgeable of local codes for compliance.

303.2.12 Electrical - Knob-and-Tube Wiring

Action/Allowability:

Per the electrical inspection section of the Indiana Weatherization Field Guide SWS-Aligned Edition, auditors identify any knob and tube wiring found in the dwelling and test it to see if it is live. If it is spliced into conventional circuitry, auditors note the breakers or fuses controlling the circuit. Live knob and tube wiring can never be covered or surrounded by insulation as a result of any weatherization measure. Boxing of knob and tube wiring prior to insulating is acceptable.

Existing insulation covering live knob and tube wiring should not be removed in order to box the knob and tube wiring. Homes where the knob and tube wiring will limit or prohibit proper air sealing and mechanical ventilation installation, or cannot be properly and safely addressed, should be deferred until the electrical hazards can be repaired.

Knob-and-Tube wiring may be replaced as an Incidental Repair as part of a Waiver Audit Priority List audit, NEAT audit, or by using non-DOE funds.

Homes where the knob and tube wiring should be deferred until the electrical hazards can be repaired. Please reference section 900.

Testing:

Auditors will inspect for the presence and condition of knob-and-tube wiring and check for alterations that might create an electrical hazard. Voltage drop and voltage detection tests are allowed. Please reference the approved variance in Appendix Y.

Client Education:

Auditors will provide clients with information on over-current protection, overloading circuits, and basic electrical safety and risks, especially when electrical issues are the cause of a deferral.

Training:

Auditors are instructed to avoid insulating over or dense packing around live knob and tube wiring while installing insulation in attics, floors, or walls. Auditors are also instructed on the proper way to perform voltage drop test to determine the level of safety and integrity of knob and tube wiring. Auditors are instructed to always follow local (or Authority Having Jurisdiction) code whenever necessary.

303.2.13 Fire Hazards

Action/Allowability:

Correction of fire hazards is an allowable cost when necessary to safely perform weatherization.

Testing:

Auditors will check for fire hazards in the home during all inspections.

Client Education:

Auditors will inform the client of observed fire hazards.

Training:

Auditors are trained on how to recognize potential hazards and when removal is necessary.

303.2.14 Formaldehyde, Volatile Organic Compounds (VOCs), and other Air Pollutants

Action/Allowability:

Removal of pollutants is allowed and is required if they pose a risk to workers. If pollutants pose a risk to workers and removal cannot be performed or is not allowed by the client, the unit must be deferred.

Testing:

Auditors will conduct a sensory inspection for formaldehyde, VOCs, and other air pollutants.

Client Education:

Auditors will inform clients of the observed conditions and the associated risks. Auditors will provide the client written materials on safety and proper disposal of household pollutants. When deferral is

necessary, provide information in writing describing conditions that must be met in order for weatherization to commence.

Training:

Auditors are trained on how to recognize potential hazards and when removal is necessary.

303.2.15 Injury Prevention of Occupants and Weatherization Workers—measures such as repairing stairs and replacing handrails

Action/Allowability:

Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Minor repairs and installation may be conducted only when necessary to effectively weatherize the home; otherwise, these measures are not allowed. Examples of allowable minor repairs include broken stair risers or broken handrails which facilitate safely entering a portion of the home to complete weatherization work. Replacement or the addition of complete stairwells are not allowable. Building or installing new exterior steps or walkways are not allowable.

Testing:

Auditors will observe if dangers are present that would prevent weatherization.

Client Education:

Auditors will inform clients of observed hazards and associated risks.

Training:

Auditors are trained to be aware of potential injury hazards and risks.

303.2.16 Lead Based Paint Refer to Section 309

303.2.17 Mold and Moisture

Action/Allowability:

The use of DOE funds for removal of mold and other related biological substances is not an allowable weatherization expense. DOE funds cannot be used to test, abate, remediate, purchase insurance, or alleviate existing mold conditions identified during the audit, the work performance period, or the quality control inspection. Low cost or no cost measures to clean moisture damaged surfaces are allowed and may be charged to DOE Health and Safety or LIHEAP Mechanical. Houses with mold and moisture issues that require more than no cost or low-cost measures must be deferred or

remedied with alternate funding. (See section 500 and section 900). The Energy Auditor, in cooperation with the Subgrantee, should determine, based upon the conditions of the home, if Weatherization Services will be provided to homes with mold and/or moisture issues.

Limited water damage repairs that can be addressed by weatherization workers are allowed when necessary to weatherize the home and to ensure the long-term stability and durability of the measures. Source control (i.e. correction of moisture and mold creating conditions) is allowed when necessary to weatherize the home and to ensure the long-term stability and durability of the measures. Source control is independent of latent damage and related repairs. Where severe Mold and Moisture issues cannot be addressed, deferral is required. These costs may be paid for using non-DOE funds, including State LIHEAP or utility funds. Surface preparation where weatherization measures are being installed (e.g., cleaning mold off window trim to apply caulk) must be charged as part of the ECM, not to the H&S budget category.

Subgrantees must measure indoor humidity levels and potential sources for excess moisture. Identified problems and sources are documented on the Moisture Assessment Findings form that is signed by the local Subgrantee and client. The Indiana Moisture Assessment Form (Appendix O) lists moisture conditions that exist in the home at the time of initial audit before any weatherization measures were installed. The conditions must also be confirmed by the shell crew/contractor prior to performing their work. This form must be present in every file.

Testing:

Visual assessment is required and diagnostics, such as moisture meters, are recommended at initial audits and prior to final inspections. Mold testing is not an allowable cost.

Client Education:

Solutions for mold remediation and educational talking points are discussed with the homeowner and/or occupants to determine roles in creation of problems and/or mitigation. Occupants are given a copy of the Environmental Protection Agency (EPA) brochure, "A Brief Guide to Mold, Moisture, and Your Home" as part of the client education process.

Training:

Each Subgrantee's crews or contractors receive specialized training in moisture awareness, ventilation, indoor air quality, and mold hazards. A mold awareness course is offered by the training and technical service provider and teaches Weatherization technicians and auditors how to identify the conditions that promote mold growth. This class identifies treatment options for less extensive mold conditions and best Weatherization practices to prevent mold growth. This class also discusses the health aspects related to mold and moisture issues for both workers and clients. This course is

intended to prepare technicians and auditors to know how to safely proceed with Weatherization services or when to defer the home until serious mold and moisture conditions have been eliminated. Please reference section 900.

303.2.18 Occupant Preexisting or Potential Health Conditions

Action/Allowability:

When a person's health may be at risk and/or the work activities could constitute a health or safety hazard, the occupant at risk will be required to take appropriate action based on severity of risk. Appropriate action could include but not be limited to removal of excessive trash and debris, proper cleaning of moisture damaged surfaces, or removal of an unapproved alternative heat source. Failure or the inability to take appropriate actions must result in deferral.

Testing:

Intake staff will screen occupants to reveal known or suspected health concerns as part of initial application for weatherization. Knowledge about suspected health concerns should be shared with weatherization staff and contractors and continue throughout the weatherization process. Auditors will additionally screen the occupants to reveal known or suspected health concerns as part of the initial audit whenever possible.

Client Education:

Auditors provide clients information regarding any known risks.

Training:

Auditors are trained on how to screen for client pre-existing health conditions and to determine what action to take if the home is not deferred.

303.2.19 Occupational Safety and Health Administration (OSHA) and Crew Safety

Action/Allowability:

All Subgrantees and contractors must maintain compliance with the current OSHA Hazard Communication Standard, including on-site organized Safety Data Sheets (SDS) (formerly called MSDS).

Testing:

Subgrantees must perform assessments to determine if crews are practicing and utilizing safe work practices. When possible, IHCD's monitoring staff will incorporate in-progress visits to client homes

as part of the Technical Monitoring visit to ensure safety standards are being met. It is the responsibility of the subgrantee to know the locations where their contractors or crews are working to facilitate the in-progress visit under these circumstances.

Client Education:

Not applicable.

Training:

The OSHA 10-hour training is required for all weatherization workers. All new weatherization workers must receive the appropriate OSHA training within nine months commencing 45 days from the date of hire. Please reference section 600.

303.2.20 Pests

Action/Allowability:

Pest removal is cause for deferral unless other funds are available to cover the cost of extermination. Pest removal is allowed only where infestation would prevent weatherization. Screening of windows and points of access and incorporating pest exclusion into air sealing practices to prevent intrusion is allowed. Please reference section 900.

Testing:

Auditors will assess the presence and degree of infestation and risk to workers.

Client Education:

Auditors will inform clients of the observed condition and associated risks.

Training:

Auditors are trained in how to assess the presence and degree of infestation, associated risks, and need for deferral. Pictures of areas that lead to a deferral must be present in the client file.

303.2.21 Radon

Action/Allowability:

In homes where radon may be present, the work scope should include precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades, to reduce the possibility of making radon issues worse. Radon mitigation is not an allowable activity with DOE funds; major radon problems are deferred and referred to the appropriate local environmental agency. Whenever site conditions permit, cover exposed dirt floors within the pressure/thermal

boundary with 6 mil (or greater) polyethylene sheeting, lapped at least 12" and sealed with appropriate sealant at all seams, walls and penetrations. Other precautions may include, but are not limited to, sealing any observed floor and/or foundation penetrations, including open sump pits, isolating the basement from the conditioned space, and ensuring crawl space venting is installed.

Testing:

Radon testing is not currently required by IHCD. Subgrantees may allow testing at their discretion in areas with high radon potential using non-federal funds.

Client Education:

Subgrantees must provide all clients with a copy of EPA's ***A Citizen's Guide to Radon*** and inform them of radon-related risks. Clients must sign a copy of the **Radon Informed Consent Form** prior to receiving weatherization services. This form must be kept in the client file.

Training:

Auditors are trained on what radon is, how it occurs, what factors might make it worse, and what weatherization measures can be helpful to radon control. Crews and contractors are trained in vapor barrier installation.

303.2.21 Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers

Action/Allowability:

The installation of smoke and carbon monoxide alarms is an allowable expense with DOE and LIHEAP funds where alarms are not present or inoperable. Install one smoke alarm in each dwelling on each floor in all dwellings that don't have existing functional alarms, and all weatherized dwellings or weatherized apartments must contain at least one CO alarm. Where solid fuel burning equipment is present, fire extinguishers may be provided as an allowable H&S measure.

Testing:

Check existing alarms for operation and check the expiration date of existing extinguishers. Verify operation of installed alarms and extinguishers.

Client Education:

Auditors will provide the client with verbal and written information on the use of smoke and carbon monoxide alarms whenever necessary.

Training:

Auditors, crews, and contractors are trained on where to install smoke and carbon monoxide alarms.

303.2.22 Solid Fuel Heating (wood stoves, etc.)

Action/Allowability:

Maintenance, repair, and replacement of primary indoor heating units is allowed where a client's health and safety is a concern.

Testing:

Solid fuel appliances are to be inspected for venting and installation issues. Auditors must complete the solid wood fuel inspection form as part of their audit.

Client Education:

Auditors provide clients with safety information, safe operating instructions and general fire safety tips.

Training:

Auditors are trained on code requirements associated with solid fuel heating units.

303.2.23 Space Heaters - Stand Alone Electric

Action/Allowability:

Repair, replacement, or installation of electric stand-alone space heaters is not allowed. Removal of these space heaters is recommended. The energy auditor is required to perform a complete evaluation of the heating system on each home weatherized. Part of this evaluation will be determining what modifications or replacements are required. Stand-alone electric heaters cannot be left in place as a client's sole source of heat. If provisions cannot be made for the installation of a permanent heating source, the home must be deferred. In instances where a new heating system is installed, the client will be educated on the new heating system and advised against using the stand alone electric space heater. Should the stand alone electric space heater be found to be unsafe for use in the client's home, it must be removed from use prior to weatherization proceeding.

Testing:

Auditors check overall electrical safety of the home as part of their initial audit process.

Client Education:

Auditors must inform the client of hazards associated with the use of standalone electric space heaters and collect a signed waiver if removal is not allowed by the client.

Training:

Auditors are trained to inspect and identify electrical hazards based upon client use, code enforcement and current conditions in the home.

303.2.24 Space Heaters - Unvented Combustion

Action/Allowability:

This language mirrors the content of Indiana's Health and Safety Plan.

Unsafe secondary units, including space heaters, must be removed, or rendered inoperable, or deferral is required.

Following WPN 17-7, secondary unvented units that conform to the safety standards of ANSI Z21.11.2 may remain as back-up heat sources. DOE is allowing this flexibility primarily to provide low income clients an emergency back-up source of heat in the event of electrical power outages. When selecting items to leave behind, give preference to code-compliant units that do not require electricity.

Secondary unvented units that do not meet ANSI Z21.11.2 must be removed and properly disposed of prior to weatherization but may remain until a replacement heating system is in place. Repair of secondary unvented units is not allowed. Secondary unvented units that meet the ANSI Z21.11.2, but are not operating safely, must be removed and properly disposed of.

An unvented gas- and liquid-fueled space heaters that remains in a completed single-family house after weatherization shall:

- Not have an input rating in excess of 40,000 Btu/hour;
- Not be located in, or obtain combustion air from sleeping rooms, bathrooms, toilet rooms, or storage closets, except:
 - One listed wall-mounted space heater in a bathroom if permitted by the authority having jurisdiction which:
 - Has an input rating that does not exceed 6,000 Btu/hour;
 - Is equipped with an oxygen-depletion sensing safety shut-off system; and
 - The bathroom has adequate combustion air;
 - One listed wall-mounted space heater in a bedroom if permitted by the authority having jurisdiction, which:
 - Has an input rating that does not exceed 10,000 Btu/hour;

- Is equipped with an oxygen-depletion sensing safety shut-off system; and
- The bedroom has adequate combustion air.

IHCDA does not permit any DOE-funded weatherization work on electric space heaters. Repair, replacement, or installation of electric standalone space heaters is not allowed. Removal of these space heaters is recommended. The energy auditor is required to perform a complete evaluation of the heating system on each home weatherized. Part of this evaluation will be determining what modifications or replacements are required. Standalone electric heaters cannot be left in place as a client's sole source of heat. If provisions cannot be made for the installation of a permanent heating source, the home must be deferred. In instances where a new heating system is installed, the client will be educated on the new heating system and advised against using the stand alone electric space heater. Should the stand alone electric space heater be found to be unsafe for use in the client's home, it must be removed from use prior to weatherization proceeding.

Unvented space heaters remaining in the home must meet all the requirements as outlined in the Unvented Gas Space Heater Inspection Form, Appendix N, IHCDA's Policy and Procedure Manual. This form must be completed and placed in the client file where either an unvented space heater was removed or remains in the home.

Testing:

Carbon monoxide testing, combustion air requirements and completion of the Unvented Gas Space Heater Inspection Form are required.

Client Education:

Auditors must inform the clients of the carbon monoxide dangers associated with unvented space heaters.

Training:

Auditors are trained on the dangers of unvented space heaters and how to determine if the unvented heater can be left in the home.

303.2.25 Space Heaters - Vented Combustion

Action/Allowability:

Vented gas combustion space heaters are an acceptable source of heat and must be tested the same as gas furnaces. Replacements, where necessary, follow the same guidelines as gas furnaces.

Testing:

Auditors must test vented space heaters in the same manner as a gas furnace and complete Indiana's Gas Appliance Inspection Form.

Client Education:

Auditors inform clients of the work performed to their space heaters, safe and efficient operating tips, and maintenance issues.

Training:

Auditors are trained on appropriate testing, operation and venting requirements for vented space heaters.

303.2.26 Spray Polyurethane Foam

Action/Allowability:

Use of two-part foam is acceptable where all applicable EPA, OSHA, code, manufacturer and IHCD requirements are followed.

Testing:

Auditors determine the most appropriate use for two-part foam based upon pricing, cost effectiveness and conditions in the home.

Client Education:

Auditors notify the client of the plans to use two-part foam and the precautions that may be necessary.

Training:

Auditors, crews and contractors are trained on the proper use, application and safety concerns for two-part foam.

303.2.27 Ventilation

Action/Allowability:

ASHRAE 62.2 - 2016 regulation is required to be implemented to the fullest extent possible on each home weatherized.

Indiana adopted WAP Memorandum 007 which establishes a 15 cfm threshold for the installation of ASHRAE 62.2 – 2016 ventilation. The following guidance is taken from WAP Memorandum 007:

The required mechanical ventilation rate, Q_{fan} , shall be the rate Q_{tot} in Section 4.1.1 plus the required additional airflow calculated in accordance with Section A3. If the airtightness of the building envelope has been measured, the required mechanical ventilation rate may be reduced as described in Section 4.1.2. In these cases, Section A3 shall be applied before Section

4.1.2 when determining the final mechanical ventilation rate. For existing buildings, if Q_{fan} is less than or equal to zero 15 cfm, then a whole-building ventilation fan is not required.

The above guidance does not prohibit Subgrantees from installing mechanical ventilation in homes requiring less than 15 cfm of ventilation. Homes requiring less than 15 cfm as outlined above must be evaluated for the need of mechanical ventilation. Homes where climatic conditions, moisture conditions, or client behavior demonstrate the strong need for mechanical ventilation, such ventilation should be installed.

Testing:

Each home is evaluated to meet the ASHRAE 62.2 - 2016 standard at the initial audit. Fans installed as a result of ASHRAE 62.2 - 2016 are tested for proper flow and adjusted to meet blower door readings at the time work is completed.

Client Education:

The agency must provide clients with information on function, use, and maintenance (including location of service switch and cleaning instructions) of ventilation systems and components installed as a result of ASHRAE 62.2 - 2016. Auditors must provide client with equipment manuals for installed equipment. Include disclaimer that ASHRAE 62.2 - 2016 does not account for high polluting sources or guarantee indoor air quality.

Training:

Auditors are required to complete ASHRAE 62.2 training which includes evaluation of the home, blower door testing, moisture assessments and completion of Indiana's ASHRAE 62.2 calculation form. Indiana will continue using the ASHRAE 62.2 2016 standard until such time that DOE requires new standards to be followed.

304 DEFERRAL STANDARDS

While clients may meet eligibility requirements for weatherization, Subgrantees may defer a client because the housing unit is not a good candidate for weatherization. A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons.

Deferrals may take place during any phase of the weatherization process, including but not limited to: during or after the initial audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors. Client must receive notice of the deferral and explanation in writing.

Postponement of work is required until deferral issues can be resolved either by the client and/or by alternative sources of assistance. Below are examples of existing conditions under which a dwelling unit can be deferred until certain corrective actions occur:

- Elevated carbon monoxide levels where abatement is not possible using WAP funds
- Existing moisture problems that cannot be resolved under the health and safety limits
- Unit with sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work
- Occupant's health condition
- Building's structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and these conditions cannot be resolved in a cost effective manner
- Client is uncooperative, abusive, or threatening to crew, subcontractors, auditors, inspectors, or others who must work on or visit the unit
- Extent and condition of lead-based paint in the house would potentially create further health and safety hazards
- The unit has been condemned or electrical, heating, plumbing, or other equipment has been "red tagged" by local or state building officials or utilities.
- The unit is in foreclosure, for sale or condemned and the owner will not be occupying the unit throughout the duration of the weatherization work.
- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated within the scope of weatherization

All agencies will pursue alternative funding resources to reduce the occurrence of deferral. Agencies should establish lines of communication with other funding sources so that referrals can occur in an efficient manner. The following is a list of potential funding sources to help remedy situations in a home:

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups
- State LIHEAP funds as outlined in section 900

All clients who are deferred must receive a letter outlining the reason(s) for the deferral. A copy of the deferral letter must be placed in the client file. The deferral letter must be specific as to the reason(s) for the deferral, outline next steps for the client, and provide a timeline for action.

If the deferral occurs while the home is in the process of receiving weatherization, all work will be required to be completed and pass the final QCI within 12 months of the application date. **If**

this is not possible, the Subgrantee must submit documentation to IHCD's Policy and Technical Specialist for approval of a Provisional Closeout.

Any client who has received a deferral by a local Subgrantee must be allowed to pursue an appeal. The appeal will follow the established procedure set forth in the Section 103 of this manual.

The costs associated with deferred audits are an allowable charge under Base Program Operations. Those agencies using contractors must be able to document on the deferral invoice that the charge was for a deferred home and is not attributable to any particular completion.

Pictures must be taken documenting the conditions leading to deferral and must be placed in the client file.

305 RENTAL PROCEDURES

The benefits of weatherization to the occupants of rental units are protected in accordance with 10CFR440.22(b)(3). Indiana's policy for the weatherization of rental units complies with 10CFR440.16(i), and all other pertinent regulations. 10 CFR 440.3 defines a rental dwelling unit as a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

Subgrantees must have the following procedures in place before proceeding with weatherization of a rental unit:

1. Written permission of the building owner or his agent before commencing;
2. Benefits of the services accrue primarily to the low income tenants residing in such units;
3. For a reasonable period of time after completion, the household will not be subjected to rent increases;
4. No undue or excessive enhancements shall occur to the value of the dwelling unit;
5. A landlord agreement/affidavit as required by the Subgrantee;
6. Documentation supporting monthly rental amount, such as being included in the landlord agreement, a recent cancelled check made payable to the landlord, or the amount included on the landlord affidavit, and;
7. The low-income tenants must benefit from the Weatherization services.

Subgrantees are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the Subgrantee has adopted.

Landlords may be required to contribute financially toward the cost of completing a unit, and/or to complete specific work on the unit. In cases where the landlord meets the definition of low income, and is eligible for services, the Subgrantee cannot require financial participation on the part of the landlord. Furthermore, Subgrantees will ensure that clients realize the benefits from the weatherization work. Subgrantees may also include in their landlord policy a provision that does not require a landlord contribution if the landlord is a 501(c)3 non-profit organization.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization Subgrantee, as noted in 10CFR440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the dwelling.

Landlord contributions are not to be counted as program income but must be applied to the program in one of two ways.

- Agencies that require landlord contributions must use a net system when charging weatherization. As an example, if the cost of the work is \$4,000.00, and the landlord contributes 50%, or \$2,000.00, weatherization may be charged for only the remaining \$2,000.00.
- Agencies that do not require landlord contributions, but receive contributions without stipulations as to their use, must then use those funds to enhance the weatherization program.

Subgrantees are required to develop a written appeals process for dealing with rental units. The process should be available to resolve disputes over raising rent following the weatherization process.

The primary purpose of the weatherization program is to lower the total residential energy expenditures of low-income persons. Agencies are to ensure that no undue enhancement shall occur to increase the value of the dwelling units, as noted in 10CFR440.22 (b) (3)(iv). Undue enhancement is defined by DOE as any improvement to the property that goes beyond the scope of energy conservation work.

Agencies are not required to place liens on rental property that has been weatherized but must ensure protection of the low-income household from improper eviction or sale of property. Agencies must be aware of the legal protection available and be prepared to make appropriate referrals when necessary.

306 NEW CONSTRUCTION

Under no circumstances shall weatherization funds be used on newly constructed units.

307 REFRIGERATOR/DSM PROGRAMS

Refrigerator replacement is an allowable DOE and LIHEAP cost. Indiana requires comprehensive metering of the existing unit, and a NEAT or MHEA audit must be performed. Subgrantees must follow these requirements when replacing refrigerators:

- The new refrigerator must fit the existing space.
- The new refrigerator must be 40% more efficient than the minimum federal standards or be labeled ENERGY STAR.
- The new refrigerator must have a minimum one-year warranty.
- Take refrigerators that are replaced to a facility that is licensed to reclaim their refrigerant and recycle the refrigerator's parts.
- No refrigerator, taken out of service, may be returned to service by sale, barter, or for free.
- Instruct the client about location and operation of energy controls such as the thermostats for the refrigerator and freezer.

308 REWORK POLICY

DOE issued guidance in WPN 11-03 concerning eligible call-back/add-on/rework policy. The concern was that DOE was being charged for additional work completed after a unit had been final inspected and reported to DOE.

Per DOE WPN 11-03: "As a general rule, Grantees and Subgrantees may not charge the WAP for additional work on homes that have already been reported to DOE as completed, weatherized units. Once a home is reported to DOE as complete, the required final inspection indicates that all applicable work performed was done so in a workmanlike manner, including all work that may have been contracted out such as furnace work, etc. Performing activities such as routine maintenance, repairs, or warranty-type work is not permitted using DOE funds for work beyond those costs already invoiced."

For DOE funding, Indiana will perform real time monitoring to assist Subgrantees with compliance with the DOE guidance. Any units completed with DOE funding after January 10, 2011 and reported as a completion in IWAP will require special approval by IHCD prior to any additional work being undertaken with DOE funds. Special approval will only be granted by IHCD staff as a direct response to a real time monitoring finding and based specifically on the issues at hand. If a unit has special approval, the record will be unlocked to add rework invoices.

Other measures taken by IHCD to comply with the WPN 11-3 guidance are:

- The IWAP system utilizes a "close out" requirement for a completion to count in IWAP and be reported to DOE. If this close out is not completed, IWAP will automatically lock records that are 45 days or older to prevent reworks being charged to the units.

- If Subgrantees undertake measures which could fail shortly after repair or cleaning (i.e. bath fan, furnace blower, range hood, etc.), subsequent failures must be addressed by the Subgrantee either through a release of liability for those types of issues, or through non-DOE/Federal funding.
- In accordance with [SWS 2.0702.1a](#), Subgrantees must provide a one-year warranty for materials, workmanship, and serviceability provided to occupants upon completion of work. Subgrantees must ensure occupants are aware of the warranty and maintenance agreement options from the manufacturer, and should, at a minimum, address the following possible concerns and warnings within the warranty, as applicable to the work being warranted:
 - Possible drying and shrinking effects
 - Storage of hazardous and flammable materials
 - Mold

Any defects caused by improperly performed Weatherization measures found within the warranty period shall be remedied without charge and within a reasonable period of time. If there are questions or disagreements regarding whether a defect was caused by improperly performed Weatherization measures, the Subgrantee is advised to request assistance from a neutral third party which could include a third party QCI who did not perform the final inspection, IHCD State staff or contracted monitors, or INCAA staff.

Any defects found outside the warranty period are the sole responsibility of the client. Warranties do not extend to measures that a client has altered after the final Quality Control Inspection. If a Provisional Closeout has been given, no warranty can be issued or guaranteed.

This warranty should not be considered to cover equipment failure caused by failure to perform normal maintenance, abuse or external causes beyond the control of the Subgrantee or their contractors.

- Tied to the above referenced SWS requirement, IHCD has been granted a variance. Appendix Y

309 LEAD-SAFE WORK PRACTICES

Per WPN 17-7, all Subgrantees must comply with the following guidelines:

- Subgrantees must follow EPA's Lead; Renovation, Repair and Painting Program (RRP) when working in pre-1978 housing, unless testing confirms the work area to be lead free.

- Deferral is required when the extent and condition of lead-based paint in the house would potentially create further H&S hazards.
- Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable.
- Documentation in the client file must include Certified Renovator certification; any training provided on-site; description of specific actions taken; lead testing and assessment documentation; and photos of site and containment set up. Include the location of photos referenced if not in the file.
- Testing to determine the presence of lead in paint that will be disturbed by WAP measure installation is allowed with EPA-approved testing methods, and methods must be economically feasible and justified.
- Job site set up and cleaning verification by a Certified Renovator is required.
- IHCD will verify that crews are using lead safe work practices during monitoring.

Subgrantees may choose to:

1. Use the XRF machine or EPA approved testing procedures to determine levels of lead in work areas (as defined in reference to the use of Lead Safe Work Practices) as well as in individual components that might be disturbed when completing weatherization work;
2. Assume Lead Based Paint and follow Lead Safe Work Practices including clean-up and testing as outlined in the RRP rule for applicable housing;
3. Utilize IHCD's Minor Paint Disturbance Policy as outlined below:
 - All homes built prior to 1978, where paint will be disturbed and the paint is either verified or assumed to be lead based paint, the following lead safe work practices, at a minimum, shall be used:
 - Lay 6 mil plastic 10' beyond the area where lead-based paint is disturbed (exterior)
 - Lay 6 mil plastic 6' beyond the area where lead based paint is disturbed (interior)
 - Wet the area of paint being disturbed
 - Wet all paint chips prior to clean-up and removal
 - Limit access to the area where paint is being disturbed
 - Ensure that all appropriate personal protective equipment is used
 - Ensure proper disposal of trash and material
 - Provide pictures for the client file showing use of lead safe work practices
 - Use the XRF to limit the need for lead safe work practices; or,
4. Utilize Indiana's Pre-1960 rule, which requires the use of Lead Safe Work Practices whenever remodeling, renovating and maintenance activities on rental properties built before 1960 is going to disturb a minimum area of lead paint, as defined by the rule *410 IAC 32-5-1 Rule 5, Work Practice Standards for Nonabatement Activities*.

All Subgrantees have at least one Niton brand XRF 300 analyzer. Resourcing of the XRF is not an allowable cost with DOE funds. All resourcing expenses must be paid for with LIHEAP dollars. The cost of the resourcing exceeds \$5,000.00 resulting in this expense being treated as an Equipment budget line item. As such, written permission from IHCD is required to purchase the resourcing.

All Subgrantees are required to obtain and maintain Lead Firm status through the EPA. All certifications will be confirmed and verified during the annual monitoring process.

All Subgrantee sub-contractors performing work in homes built prior to 1978 are required to obtain and maintain Lead Firm status through the EPA. All certifications will be confirmed and verified during the annual monitoring process.

- All Subgrantees will have at least one staff member who is a licensed Lead Inspector, and a licensed Renovator must be present as the work begins to ensure proper set-up of lead safe work practices and ensure everyone is properly trained. The licensed Renovator must also be present at the completion of the job to ensure that cleaning and clearance testing procedures are performed correctly. The licensed Renovator must be able to be contacted immediately by telephone or other mechanism while the work is on-going.
- Monitoring has included a LSW component which reviews practices, inventory, XRF use and reporting.

The purpose of the steps outlined above is to ensure full compliance with the EPA rule and to ultimately provide a better service to those clients who live in housing built prior to 1978 wherein the weatherization program will be disturbing more than the de minimus levels of painted surfaces containing either confirmed or assumed lead-based paint. Additionally, the steps outlined above are required to meet IHCD's Minor Paint Disturbance as outlined in item #3 on page 57 below.

Indiana has implemented a policy regarding lead-based paint procedures on homes being weatherized which includes providing clients with the pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" and obtaining certification that they received the form. Subgrantee staff working in homes are trained on how to work in a lead safe manner ensuring adherence to EPA, OSHA Rule 29 CFR 1926.26 as well as to HUD's Lead Paint Hazard Control, 24 CFR Part 35. All Subgrantees performing weatherization services are encouraged to obtain Pollution Occurrence Insurance. Subgrantees must provide the Lead Paint form to all clients and landlords.

New employees are trained on lead safe work practices within the first nine months of employment (commencing 45 days from hire date) to protect employees from the hazards of lead during weatherization work.

The following instructions outline the use of the RRP Rule:

Subgrantees will not be required to follow the RRP Rule for the following repairs:

- Renovation or repair to housing built in 1978 or later,
- Renovation or repair to zero-bedroom dwellings (studio apartments, dormitories, etc.),
- Renovation or repair to housing or components declared lead-free by a certified inspector or risk assessor, or
- Minor repair and maintenance activities that disturb 6 square feet or less of paint per room inside, or 20 square feet or less on the exterior of a home or building.
- Note: minor repair and maintenance activities do not include window or door replacement and projects involving demolition or prohibited practices.

All Subgrantees must follow the following pre-renovations education requirements in all homes which do not meet the exemption criteria mentioned above.

In housing, you must distribute EPA's lead pamphlet to the owner and occupants before renovation starts.

- For work in common areas of multi-family housing or child-occupied facilities, you must distribute renovation notices to tenants or parents/guardians of the children attending the child-occupied facility. Or you must post informational signs about the renovation or repair job.

Informational signs must:

1. Be posted where they will be seen;
2. Describe the nature, locations, and dates of the renovation; and
3. Be accompanied by the lead pamphlet or by information on how parents and guardians can get a free copy (see page 31 for information on obtaining copies).

Subgrantees must obtain confirmation of receipt (Appendix H - Client Consent Form) of the lead pamphlet from the owner, adult representative, or occupants (as applicable), or a certificate of mailing from the post office.

Firm Responsibilities:

Firms performing renovations must ensure that:

1. All individuals performing activities that disturb painted surfaces on behalf of the firm are either certified renovators or have been trained by a certified renovator;
2. A certified renovator is assigned to each renovation and performs all of the certified renovator responsibilities;

3. All renovations performed by the firm are performed in accordance with the work practice standards of the Lead-Based Paint Renovation, Repair, and Painting Program:
4. Pre-renovation education requirements of the Lead-Based Paint Renovation, Repair, and Painting Program are performed;
5. The program's recordkeeping requirements are met. The following records must be retained for three years following the completion of a renovation:
 - Reports (if any) certifying that lead-based paint is not present.
 - Records relating to the distribution of the lead pamphlet.
 - Documentation of compliance with the requirements of the regulation (EPA has prepared a sample form that is available at: <http://www2.epa.gov/lead/sample-renovation-recordkeeping-checklist>).

Renovator Certification

To become a certified renovator an individual must successfully complete an eight-hour initial renovator training course offered by an accredited training provider (training providers are accredited by EPA, or by an authorized state or tribal program). The course completion certificate serves as proof of certification. Once accredited, trainers can begin to provide certification training.

Any Subgrantee staff or contractors who have successfully completed an accredited lead abatement worker or supervisor course, or individuals who have successfully completed an EPA, Department of Housing and Urban Development (HUD), or EPA/HUD model renovation training course, need only take a four-hour refresher renovator training course instead of the eight-hour initial renovator training course to become certified.

Renovators at either the Subgrantee or the Subgrantee's contractor must adhere to the following:

1. Must use a test kit acceptable to EPA or a XRF machine, when requested by the party contracting for renovation services, to determine whether components to be affected by the renovation contain lead-based paint. Lead test kits recognized before September 1, 2010 must meet only the negative-response criterion outlined in 40 CFR 745.88(c)(1). The negative-response criterion states that for paint containing lead at or above the regulated level, 1.0 mg/cm² or 0.5% by weight, a demonstrated probability (with 95% confidence) of a negative response less than or equal to 5% of the time must be met. Please check our Web site at: <http://www2.epa.gov/lead/lead-test-kits>)
2. Must provide on-the-job training to workers on the work practices they will be using in performing their assigned tasks (this training must be documented)
3. Must be physically present at the work site when warning signs are posted, while the work-area containment is being established, and while the work-area cleaning is performed
4. Must regularly direct work being performed by other individuals to ensure that the work practices are being followed, including maintaining the integrity of the containment barriers and ensuring that dust or debris does not spread beyond the work area

5. Must be available, either on-site or by telephone, whenever renovations are being conducted.
6. Must perform project cleaning verification
7. Must have with them at the work site copies of their initial course completion certificate and their most recent refresher course completion certificate
8. Must prepare required records

Work Practice Requirements: General

1. Renovations must be performed by certified firms using certified renovators;
2. Firms must post signs clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area. These signs should be in the language of the occupants;
3. Prior to the renovation, the firm must contain the work area so that no dust or debris leaves the work area while the renovation is being performed;
4. Work practices listed below are prohibited during a renovation:
 - a) Open-flame burning or torching of lead-based paint;
 - b) Use of machines that remove lead-based paint through high speed operation such as sanding, grinding, power planing, needle gun, abrasive blasting, or sandblasting, unless such machines are used with HEPA exhaust control; and
 - c) Operating a heat gun on lead-based paint at temperatures of 1100 degrees Fahrenheit or higher.
5. Waste from renovations:
 - a) Waste from renovation activities must be contained to prevent releases of dust and debris before the waste is removed from the work area for storage or disposal.
 - b) At the conclusion of each work day and at the conclusion of the renovation, waste that has been collected from renovation activities must be stored to prevent access to and the release of dust and debris.
 - c) Waste transported from renovation activities must be contained to prevent release of dust and debris.

Work Practice Requirements: Specific to Interior Renovations

1. Remove all objects from the work area or cover them with plastic sheeting with all seams and edges sealed.
2. Close and cover all ducts opening in the work area with taped-down plastic sheeting.
3. Close windows and doors in the work area. Doors must be covered with plastic sheeting.
4. Cover the floor surface with taped-down plastic sheeting in the work area a minimum of six feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater.
5. Use precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris when leaving the work area.

6. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:
 - a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Clean all objects and surfaces in the work area and within two feet of the work area in the following manner:
 - i) Clean walls starting at the ceiling and working down to the floor by either vacuuming with a HEPA vacuum or wiping with a damp cloth.
 - ii) Thoroughly vacuum all remaining surfaces and objects in the work area, including furniture and fixtures, with a HEPA vacuum.
 - iii) Wipe all remaining surfaces and objects in the work area, except for carpeted or upholstered surfaces, with a damp cloth. Mop uncarpeted floors thoroughly using a mopping method that keeps the wash water separate from the rinse water or using a wet mopping system.
 - d) Cleaning verification is required to ensure the work area is adequately cleaned and ready for re-occupancy.

Work Practice Requirements: Specific to Exterior Renovations

1. Close all doors and windows within 20 feet of the renovation.
2. Ensure that doors within the work area that will be used while the job is being performed are covered with plastic sheeting in a manner that allows workers to pass through while confining dust and debris.
3. Cover the ground with plastic sheeting or other disposable impermeable material extending a minimum of 10 feet beyond the perimeter or a sufficient distance to collect falling paint debris, whichever is greater.
4. In situations such as where work areas are in close proximity to other buildings, windy conditions, etc., the renovation firm must take extra precautions in containing the work area, like vertical containment.
5. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:
 - a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Waste transported from renovation activities must be contained to prevent release of dust and debris. A certified renovator must perform a visual inspection-is dust, debris, or residue present?
 - d) These conditions must be eliminated and another visual inspection must be performed.
6. Once the area has been adequately cleaned you're finished.

All Subgrantees are also subject to the following recordkeeping requirements:

1. All documents must be retained for three years following the completion of a renovation.
2. Records that must be retained include:

- a) A report certifying that lead-based paint is not present.
- b) Records relating to the distribution of the lead pamphlet.
- 3. On April 23, 2010, to better prevent against lead paint poisoning, EPA issued a final rule to apply lead-safe work practices (Federal Register dated May 6, 2010) to most pre-1978 homes, effectively closing the exemption. ***The rule eliminating the opt-out provision became effective July 6, 2010.***
- 4. Documentation of compliance with the requirements of the Lead-Based Paint Renovation, Repair, and Painting Program (EPA has prepared a sample form that is available at <http://www2.epa.gov/lead/sample-renovation-recordkeeping-checklist>)

Monitors verify Renovator and Lead Firm status at the time of monitoring and track it to ensure each crew and contractor firm have sufficient renovators to ensure lead safe work practices are adhered to at all applicable job sites. IHCD requires all crews and contractors to take pictures documenting their use of lead safe work practices in order to be paid for the procedures. Pictures of lead safe work practice set-up must be included in the client file when: pre 1978 paint is being disturbed is either presumed to be lead based paint or has been tested and confirmed to be lead based paint.

Following WPN 17-7, Grantee Monitors and Inspectors must be Certified Renovators.

Please reference the Indiana Weatherization Field Guide SWS-Aligned Edition, Health & Safety Section, for additional guidance and requirements for dealing with Lead Based Paint in Weatherization.

SECTION 400

BUDGETS AND CLAIMS

401 BUDGET FORMS

The Weatherization Assistance Program utilizes several different funding sources in the delivery of services. For each funding source, the Weatherization Program Manager must complete and return a separate budget form to IHCD A prior to the beginning of each program year. Any Subgrantee that does not have approved budgets by the start of the program year will have all weatherization claims held by IHCD A until receipt of the budget form. In general, the forms should be used to assist a Weatherization Program Manager in planning production and setting budget benchmarks for the grant period.

Budget forms will be emailed to each Weatherization Program Manager at the same time as the grant agreements are emailed to the Executive Directors for signature. Budget forms and definitions are in *Appendix C*. An original signature of the Executive Director or designee is required on all budget forms submitted with grant agreements and amendments. Program Managers are required to review and sign each budget form. Budget Modifications may be submitted via email for processing, a hard copy with original signature is not required.

Each Subgrantee will be responsible for limiting expenses to the amounts allowed in the budget line items. In no instance will a Subgrantee be permitted to exceed the total award for a funding period.

402 BUDGET MODIFICATION FORMS

A Budget Modification form must be submitted by a Subgrantee when changes to budget line items are necessary. The Budget Modification form is the same form as the budget form *Appendix C*. Complete the box in the upper right hand corner accordingly. A budget form submitted with a grant agreement or amendment is **not** considered a modification. Updates will be made to the Subgrantee's budget in IHCD Aonline.com for claims once all signatures are secured.

A Budget Modification form must be submitted to adjust line item allocations or production benchmarks. Change in production benchmarks will not be accepted less than 30 days prior to benchmark deadline.

403 PROGRAM INCOME

Program income is defined as any funds earned by Subgrantees from non-Federal sources during the course of performing Weatherization work. It is required that income earned from activities

supported by a grant or sub-grant must be reported as program income. Sources of income to be reported include but are not limited to:

- Income from payments of principal and interest
- Income from fees or services provided (including rental of WX equipment and vehicles and staff wages and applicable charges)
- Income from the use of rental or real property acquired with grant funds
- Income from the sale of commodities or items fabricated under a grant agreement (i.e. vehicle).

Program income is to be treated as an addition to program funds. Program income funds must be used to enhance the Subgrantees Weatherization Assistance Program and be utilized within twelve months of when the program income was earned. When possible, program income should be spent in the program year it was earned. If it is late in the program year, it can be used in the next program year (i.e. a sale at the end of September for LIHEAP funds)

Program income should be returned to the grant that the original purchase was made. Most purchases are made with LIHEAP funds. Those purchases made with ARRA funds and transferred to the DOE annual grant must be reported in the DOE grant. Program income must be tracked by the Subgrantees and must be reported on the close out form of the applicable program.

Property owner (i.e. landlord) contributions are NOT considered program income in the WAP.

DOE program income is subject to specific guidance provided in 2 CFR 200, Subpart D, §200.307 as appropriate. The amount of program income received must be detailed by the Subgrantee on the funding source Close-Out Form.

404 CLOSE-OUT REPORTS

Program Year End Close-Out Reports are due to IHCD within **forty-five** days of the end of the grant program year. Close-out Reports should accurately reflect the total dollars claimed for each line item after the final claim has been paid by IHCD. Subgrantees are required to submit Close-Out Report that meets all program requirements to IHCD by the due date, an original signature is no longer required. Page #1 of the quarterly report must accompany the Close-Out Report and the Total Closed number must match the Total Completions from the Close-Out Report. IWAP and claims must be up-to-date as of the due date.

IHCD reconciles each Subgrantee's Close-Out Report with the IWAP production data (Quarterly Report & Job Expense report) and claims submitted during the grant year. This is done to verify that Subgrantees are in compliance with program guidelines. Subgrantees must work closely with their financial department to accurately report expenses and claims. Outstanding weatherization claims will not be forwarded for payment until receipt of the report and the Subgrantee will not be eligible for the incentive pool allocation (DOE and LIHEAP funded programs as applicable).

Subgrantees are strongly encouraged to start work on the Close-Out Report several weeks prior to the actual due date. IHCD staff is available for guidance and will review completed Close-Out Reports for accuracy if the report is sent via email at least one week prior to the due date. See *Appendix D*.

All closeouts must be submitted with the following:

- Page 1 of Quarterly and last page of Job Expense report for a DOE Closeout
- Page 1 & 2 of Quarterly and last page of Job Expense for LIHEAP & State LIHEAP to cover Base/Mechanical/Capital Intensive

The number of completions on the job expense report, quarterly and closeout form must match for the closeout to be processed by IHCD.

405 CLAIMS

Subgrantees shall submit properly completed claims and backup documentation to IHCD **at least monthly** for reimbursement of costs incurred during the prior month. Claims submitted towards Administrative, Base, Health and Safety, Mechanical or Capital Intensive must be supported by job costs entered in IWAP. All claims and backup documentation (ie: timesheets & invoices) must be submitted online through the following link (please reference Section 408 for additional details): <https://ihcdonline.com/AuthorityOnline/Default.aspx>

Subgrantees may claim only incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCD. No subcontractor of a Subgrantee shall be paid for labor costs until such time as the Subgrantee has inspected the work and has determined that any such work has been performed in a satisfactory manner. Where subcontractors are utilized, the cost of materials shall be separated from the cost of installation in billings submitted by the subcontractor.

All final claims and close out reports must be submitted to IHCD within **forty-five (45)** calendar days of the end of the program year or IHCD may deny payment. Subgrantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **forty-five (45)** calendar days after the termination of the program year.

IHCD’s Weatherization grants are considered reimbursement grants. Therefore, claims and cost allocations can only be submitted for grants where Weatherization work is being performed.

406 CLAIM SUBMISSION AND REVIEW

Refer to the **Partner’s Guide to IHCDOnline** for IHCD policies regarding the submission and processing of claims. Please reference the following link to access this information on IHCD’s website: <https://www.in.gov/myihcd/2477.htm>.

Subgrantees who have been placed on a Quality Improvement Plan (QIP) or a Tiered Funding Agreement should anticipate an increased level of claim review by IHCD's Community Program and/or Financial Operations Staff.

407 ORIGINAL SIGNATURES

The following is a guide explaining when a Weatherization form requires original signatures.

Original Signatures required to be submitted to IHCD:

- **Grant Agreement** – State of Indiana requires an original signature
- **Grant Amendment**- State of Indiana requires an original signature
- **Grant Budget**

Original Signature only required on hard copy file at Subgrantee offices:

- **Grant Claims** – original signatures are not required for online claims. See Program Guidance WX-10-01A dated February 9, 2011 for details on paperless claims.
- **Equipment Purchase Request** – can be made via email.

DOE guidelines 2 CFR 200, Subpart D, §200.335, allows IHCD to accept a photocopy signature for claim forms. DOE regulations do not extend this option to IHCD so Subgrantees are required to retain the original, signed claim form along with back up documentation in a hard copy, paper file for the required retention period.

This DOE guidance to accept a photocopy signature only applies to claim forms. The State of Indiana requires grant agreements and all affiliated forms (amendments, original budgets,) to bear the original signature in hard copy form.

For all forms and agreements, the signature must be one of the Subgrantee's "Authorized Signatures" as notarized and approved on IHCD Authorized Signature Form. If the person approved as the Subgrantee's authorized signature leaves or becomes ineligible to represent the organization, a new form must be submitted and approved before the person's signature can be accepted and the form is processed.

The required retention period as outlined in 2 CFR 200, Subpart D, §200.333 requires that financial and programmatic records, supporting documents and statistical records must be retained for three years after the last expenditure report is submitted. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

408 IHCDOnline CLAIMS SYSTEM

<https://www.in.gov/myihcda/2477.htm> is IHCD's online claims system. All claims for weatherization funding sources (LIHEAP, DOE, and State LIHEAP Funds) must be entered and submitted online.

Each Subgrantee must have at least one person authorized to use the online claims system. Additional staff may request access by clicking "*New User? Register Here*" at <https://www.in.gov/myihcda/2477.htm>. When approved, an email will be sent from IHCD. Contact IHCD if you forget your password or have problems with the system.

In 2012, IHCDOnline broadened the types of claims for Subgrantees. Below are definitions of the types of claims. If you are uncertain, email the Community Programs Analyst or Community Programs Policy and Technical Specialist for advice before submitting the claim.

The following describes the allowable transaction types for the claim process:

Grantee Payment

A grantee payment is a standard draw of funds by the Subgrantee for their award. This transaction will initiate a payment to the Subgrantee. This is the most common type of transaction.

Adjustment

An adjustment transaction allows a Subgrantee to make corrections to line items within an award. An adjustment will have both positive and negative line item amounts and must have a net total of zero. No funds are either drawn or paid as part of an adjustment transaction.

Return of Funds

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. These funds will show on the claim summary but will not be returned to the Subgrantee's available budget. The state will reuse these funds in future allocations.

Repayment

A repayment transaction consists of a Subgrantee repaying claimed funds to the State. This transaction will initiate a repayment from the Subgrantee and the funds that are repaid will be available in the award budget and remaining balance. This transaction is necessary if completed homes have been claimed on a grant but then moved to another grant. All associated costs such as administration, insurance and audit allocations should be included along with the base program operations and health and safety costs.

Funding shall be provided to Subgrantees as a reimbursement for authorized expenditures incurred for the Weatherization Assistance Program (WAP), in accordance with the fiscal policies and procedures of IHCD, the DOE and the State of Indiana. Subgrantees must maintain and implement written procedures to minimize the time elapsing between the transfer of funds to the Subgrantee and the Subgrantee's issuance of payment to subcontractors for program purposes. Subgrantees will have a total of forty-five (45) days from the receipt of subcontractor invoice to check issuance for DOE and HHS funded grants.

Subgrantee shall follow generally accepted accounting procedures and practices which sufficiently and properly reflect all costs incurred by Subgrantee. Subgrantee shall manage all funds received through Weatherization funding sources in accordance with applicable cost principles identified in OMB Circulars A-87 (Government Entities) or A-122 (Nonprofit Organizations), now reported at 2 CFR 200, Subpart E.

Subgrantees shall maintain financial and accounting records which identify costs attributable to each Activity Description specified on Attachment A of each grant agreement. Subgrantees shall further maintain annual, written, cost methodologies, which identify procedures for attributing costs to each Activity Description. More restrictive fiscal accountability may be required of Subgrantees by IHCD should IHCD determine that a Subgrantee is financially unstable, has a history of poor accountability, or has a management system which does not meet the standards required by the State of Indiana, IHCD, or the United States Government.

Subgrantees shall maintain those books, records, and documents including, but not limited to: payroll records, banking records, accounting records, and purchase orders, which are sufficient to document Subgrantee's financial activities and Subgrantee's claims for reimbursement under this Agreement. Further, Subgrantee shall create, maintain, and provide to IHCD such other statistical and program reports as are required by the laws, regulations, and policies of the State of Indiana, IHCD, or the United States Government, including any close-out reports required by IHCD.

Subgrantee shall, upon written demand by IHCD, be required to repay IHCD all sums paid by IHCD to Subgrantee for which adequate fiscal and/or service delivery documentation is not in existence for any time period audited. If an audit or review of Subgrantee results in an audit exception or cost disallowance, IHCD shall have the right to set off such amount against current or future allowable claims, demand cash repayment, or withhold payment of current claims in a like amount pending resolution between the parties of any disputed amount.

IHCD may withhold payment to Subgrantee if a claim submitted by Subgrantee is inaccurate or if Subgrantee has not complied with the claim preparation instructions issued by IHCD. IHCD will notify Subgrantee of any error in the claims submitted so Subgrantee may make the corrections or revisions necessary for payment.

410 ADVANCE FUNDS

IHCDA is not currently issuing advance funds on any Weatherization grants.

411 DOE FINANCIAL MANAGEMENT TOOL KIT

DOE has provided a Financial Management Tool Kit and training to review all Weatherization financial management. The tool kit can be accessed online at <http://waptac.org/Training-Tools/Financial-Management-Tool-Kit.aspx>

SECTION 500

FUNDING

501 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in this section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from the Community Programs Policy and Technical Specialist prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and filed in the client hard copy file.

All Weatherization grants should follow OMB Cost Principles outlined in 2 CFR 200, Subpart E (OMB Circular A-122 and/or the Uniform Guidance), Cost Principles for Non-Profit Organizations. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- Is incurred specifically for the Federal award, Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
- Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset

involved when no longer needed for the purpose for which it was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures

502 ALLOCATIONS

502.1 Federal Allocation

DOE and LIHEAP allocations are distributed using the census-based allocation formula for 85% of Weatherization Subgrantees contracted funds. The remaining 15% of the allocation is distributed through an incentive pool process to those Weatherization Subgrantees who meet all of following criteria:

- A. 95% or more of the prior program year contract total must have been expended.
- B. Close Out Reports must be submitted and approved on time (within 45 days after the program year ends). IHCD DMS, IWAP Quarterly, Job Expense and Subgrantee Close Out report must match exactly when final claims are processed, with all line items and averages being within allowable limits
- C. When available, a 15% average energy savings as determined by PRISM/BEACon analysis of local Subgrantee production.
 - For Program Year 2018-2019, the incentive pool will not be utilized, because energy savings data has not been made available as of the publish date of this manual.
 - Effective April 1, 2019, the savings benchmark for consideration for inclusion in the incentive pool will increase to 20%.
- D. No Weatherization Subgrantee operating under a 120-day or modified Quality Improvement Plan (QIP) or Tiered Funding Agreement will be included in the incentive pool.
- E. Weatherization Subgrantees must demonstrate regular use of the XRF for lead based paint testing.
- F. Subgrantee must meet the 45-day requirement for vendor and sub-contractor payments.

All the incentive pool requirements are in full effect for all current LIHEAP and DOE grants unless otherwise stated by IHCD.

IHCD may suspend the use of the incentive pool at their discretion based upon funding levels or other anomalies.

502.2 Reallocation of Funds

Subgrantees failing to meet quarterly benchmarks as detailed on their most recently submitted budget form could be subject to funding allocation reduction or redistribution at IHCD's discretion. Any reallocation will be in an attempt to ensure proper utilization of Weatherization funds throughout the program year.

Subgrantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- QIP or Tier funding status
- Met quarterly benchmarks
- Financial and program management capacity

IHCDA will desktop monitor Subgrantee production, expenditure rates, and average cost per home throughout the life of each DOE, LIHEAP and State LIHEAP Weatherization grant. This desktop monitoring will occur in accordance with the funding benchmarks as established by the Subgrantee on the appropriate DOE or LIHEAP budget form. In cooperation with meeting production and expenditure benchmarks, Subgrantees must maintain the appropriate average cost per home of each DOE, LIHEAP and State LIHEAP Weatherization grant.

This desktop monitoring will consist of, at a minimum, a comparison of production as recorded in IWAP and the amount of grant funds claimed through IHCDAonline. This information will be used to track whether or not Subgrantees are maintaining the proper Average Cost per Home for both DOE and LIHEAP as referenced and required above.

Please reference the IHCDA grant agreements in Section 3, Specific Terms, Letter O (for DOE) and Letter L (for LIHEAP) and Section 4, Administration of Funds (both DOE & LIHEAP) for additional information and guidance regarding the Average Cost per Home and administration of Weatherization grant funds.

502.3 Distribution of Carryover Funding

Subgrantees on a Quality Improvement Plan (QIP), Tiered Funding or failing to utilize 90% of their award at closeout will not be eligible to receive carryover funding.

Carryover funds will be distributed to eligible Subgrantees based on the approved allocation formula.

502.4 Tiered Allocation

Subgrantees who have failed to meet program expenditure benchmarks across multiple program years, are experiencing financial difficulty, or appear to have a lack of proper programmatic oversight may, at IHCDA's discretion, be placed on a tiered funding agreement. While on a tiered funding agreement Subgrantees must expend funds according to a structured schedule. The performance benchmarks, or expenditure percentages, when possible, are based on the

Subgrantee's performance in prior years. Failure to meet expenditure benchmarks will result in a reduction in funding with unspent funds to be redistributed to other eligible Subgrantees.

Tiered funding agreements will be included as part of the Subgrantee grant agreement where applicable.

Subgrantees placed on a Tiered Allocation should anticipate an increased level of claim review by IHCD's Community Programs and Financial Operations staff.

502.5 Reduction of Funds

A Subgrantee may receive a reduction in funding if one of the following conditions is present:

- A Subgrantee voluntarily returns one or more counties within its service territory
- A Subgrantee returns substantial amounts of allocated funds over multiple years
- A Subgrantee fails to complete a QIP within two consecutive program years
- A Subgrantee fails to meet the expenditure benchmarks, as outlined in the grant agreements and budget forms, for multiple years.
- A Subgrantee is experiencing financial or programmatic difficulties

502.6 Request for Qualifications and Request for Proposals

The state may post a request for qualifications (RFQ) to identify organizations with qualifications suitable to provide services within a particular service territory. The RFQ is designed to increase the service capacity of that local area and provide additional service opportunities to the program beneficiaries. A Subgrantee will be notified if an RFQ is posted for additional capacity provided within its service territory.

The goal is to find the most qualified service provider within a prescribed service territory. Therefore, it is important to note that RFQs are open to the general public as well as the community action network. Eligible applicants will be determined based upon the federal regulations for the program. IHCD will make a reasonable effort to assess if there is an adjacent, existing Subgrantee to support service delivery. Using an adjacent Subgrantee will be determined on a case by case basis.

Subgrantees are encouraged to seek out assistance from their counterparts within Indiana's Weatherization Network who have the capacity to provide support or take on additional work. This step could result in avoiding the need for the RFQ or RFP process.

Following a request for qualifications (RFQ) a request for proposals (RFP) will be issued as IHCD deems necessary.

The RFP may also be posted for the following reasons:

- The primary Subgrantee has been on a QIP for more than two consecutive program years
- Failure to meet expenditure benchmarks for more than two consecutive program years
- Subgrantee continues to demonstrate program deficiencies during monitoring visits for multiple program years
- The primary Subgrantee voluntarily forfeits one or more counties within its service territory
- IHCD has removed one or more counties from a Subgrantee due to performance issues
- If a Subgrantee is involuntarily removed from a particular area due to fraudulent or major misappropriation of funds, legal action has been taken against the Subgrantee, or the Subgrantee dissolves
- The territory is not being serviced by the Subgrantee
- The Subgrantee is not currently operating under an active WAP contract

Like RFQs, the goal of the RFP is to find the most qualified service provider within a prescribed service territory. Therefore, it is important to note that RFPs are open to the general public as well as the community action network. Eligible applicants will be determined based upon the federal regulations for the program. IHCD will make a reasonable effort to assess if there is an adjacent, existing Subgrantee to support service delivery. Using an adjacent Subgrantee will be determined on a case by case basis.

503 LIHEAP PROGRAM MANAGEMENT

503.1 Completion

NOTE: LIHEAP WX grant clients may now adhere to the HHS requirement of 200% of the current OMB poverty income level to receive LIHEAP funded services.

Units may be counted as completions based on three sub-program categories within LIHEAP.

1. **Base Program** - completion occurs when at least a combined total of \$100.00 in labor and materials have been used. **The maximum allowable average amount for the Base Program is \$7,000 effective October 1, 2015.**
2. **Mechanical Program** – completion is used in conjunction with DOE completions that require *extensive work on the mechanical systems* including the addition of mechanical ventilation to a dwelling. Under LIHEAP, work on the mechanical systems may be completed for health and safety and/or energy conservation reasons. A Mechanical completion occurs when at least \$300.00 in material and labor has been spent on the mechanical system. The DOE Base completion that **must** be paired with a Mechanical completion must be finished by the end of the LIHEAP program year in order to count a

dwelling under this sub-program. **The maximum allowable average amount for the Mechanical Program is \$4,500.00 effective October 1, 2015.**

3. **Capital Intensive Program** - completion that charges both the Base work and the Mechanical work to LIHEAP. A minimum of \$100 must be charged to Base measures and a minimum of \$300.00 must be expended on the mechanical system. Work on the mechanical systems may be completed for both health and safety and energy conservation. Capital Intensive costs cannot exceed the maximum average cost per home. **The maximum average amount for the Capital Intensive Program is \$11,500.00 effective October 1, 2015.**

A unit may **not** be counted as **both** a DOE and a LIHEAP **Base** completion. Nor can a unit be counted as both a DOE BASE and LIHEAP or State LIHEAP Capital Intensive completion.

A unit may be counted as a completion under **only one LIHEAP sub-program**. A completion may **never** be counted as **both a Base and a Mechanical completion** within the LIHEAP program. If both Base and Mechanical sources of LIHEAP funds are used on a unit, this unit will count as one Capital Intensive LIHEAP completion.

For all units where LIHEAP funds are combined with DOE or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to the end of the current LIHEAP program year (September 30).

503.2 LIHEAP Program Expenditure Limits

Budget Categories for LIHEAP include:

Administration – Actual costs associated with administration include fiscal, executive, support operations, rent, utilities, supplies, etc. **Total claimed may not exceed 8.5% of the total LIHEAP expenditures.**

Liability Insurance – Actual costs, comprehensive general liability insurance coverage in the minimum amount of \$750,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. Following DOE guidelines, it is strongly recommended to obtain Pollution Occurrence Insurance (also known as a Rider) (POI) as a part of, or as an addendum to, general liability insurance. POI will cover problems with Lead Safe Weatherization or disturbance of other environmental pollutants. This is an optional expense eligible to be charged to the Liability Insurance line item.

Supplies – Actual costs of weatherization specific supplies with a unit cost of less than \$5,000.00. Examples include blower doors, draft gauges, and combustion analyzers.

Equipment – Actual costs for weatherization specific equipment with a unit cost greater than \$5,000.00, such as vehicles, may be purchased with this line item. Equipment purchases require prior written approval from IHCD before purchase.

Base Program Operations – Actual costs for performance of necessary weatherization measures as determined by the energy audit with a minimum of \$100.00 in labor and material. Work may include, but is not limited to, air sealing, insulation, and base load measures involved in weatherizing the unit.

Mechanical Operations – Actual costs in this line item include, but are not limited to, testing and evaluation of combustion appliances, furnace repair or replacement, electric heating and hot water heaters including the addition of mechanical ventilation to a dwelling. The minimum mechanical cost for a unit to be counted as a Mechanical Operations completion is a combined \$300.00 in material and labor. LIHEAP mechanical may be used for Health and Safety related measures that mirror DOE Health and Safety line items. Allowable LIHEAP Mechanical could include items such as visqueen, gutters/gutter extensions, and other forms of moisture mitigation.

Capital Intensive Operations – Actual costs that combine those associated with Base and Mechanical Operations. A minimum of \$300 must be spent on mechanical repairs and at least \$100 in labor and material on Base measures in order to claim under the capital intensive line item.

503.3 Allowable LIHEAP Expenses

IHCD allows, as a LIHEAP program expense, the costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the mechanical average cost per home.

Replacement of gas cook stoves will be allowed with LIHEAP funds as a health and safety measure and must be charged to the Mechanical line item. Replacement of the cook stove may NOT be charged to DOE but must be paid for with LIHEAP funds. *Repair* of the cooking stove may be charged to either DOE Health and Safety or LIHEAP Mechanical.

IHCD does not allow DOE or LIHEAP funds to be used for replacing air conditioners. Repairs to an *air conditioning* system may only be made when current operation of the AC unit endangers the operation of the furnace. Repairs can be charged to either DOE Health and Safety or LIHEAP Mechanical depending upon the funding source being used to weatherize the home.

503.4 LIHEAP Re-weatherization

If the unit meets the criteria outlined in Section 302.1, Subgrantees may proceed with weatherizing the home. A “rework” is different and is defined in Section 309.

504 DOE PROGRAM MANAGEMENT

All DOE completions are counted as Base Program completions. ***The maximum allowable average cost per home for DOE is \$7000.00 effective April 1, 2015.***

504.1 DOE Completion

In order for a home to be counted as a DOE completion and reported to DOE:

1. At least a combined total of \$100.00 in labor and materials must have been used.
2. Weatherization work must be completed on the shell. This includes, but is not limited to air sealing, insulation of the walls, attic, perimeter, foundation, or floor.
3. A final inspection has been performed by a BPI certified Quality Control Inspector (QCI).
4. It has been certified that the work has been completed in a workmanlike manner and in accordance with approved procedures in 10 CFR 440.21 and 10 CFR 440.16(g), and;
5. All materials have been properly installed.

Agencies are required to complete appropriate base load measures on all homes completed in weatherization. Those measures include, but are not limited to:

- Faucet aerators;
- Low flow showerheads;
- Water heater blankets;
- Pipe insulation;
- Air sealing;
- Duct sealing where appropriate;
- Lighting upgrades.

DOE funds used to abate *health and safety* problems, as defined in Section 309, are to be tracked as a separate line item. These costs are not to be included in the average cost per home. IHCD limits expenditures in the Health and Safety budget line to 20% of ***Base Program Operations expenditures***. All health and safety measures must be charged within the allowable Health and Safety line item.

Furnaces may be replaced for energy efficiency under Base costs. However, agencies must use NEAT/MHEA to calculate the savings-to-investment ratio. A SIR of greater than one must be obtained to justify this expense under DOE Base. If NEAT/MHEA is used to justify the furnace replacement based upon energy efficiency, the NEAT/MHEA run must be used as the work order for the home.

All units where DOE funds are combined with LIHEAP or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to March 31 – the end of the current DOE program year.

504.2 DOE Program Expenditure Limits

Budget categories for DOE include:

1 Administration – Actual costs, associated with administration include fiscal, executive, support operations, rent and utilities, supplies, copying, etc. This applies to staff engaged in program administration. Administrative cost will be up to 7% of the total grant expenditures for 2018-2019 DOE funding.

2 Liability Insurance – Actual costs, comprehensive general liability insurance coverage in the minimum amount of \$750,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. DOE strongly recommends Pollution Occurrence Insurance (also known as a Rider) (POI) as a part of, or as an addendum to, general liability insurance. POI will cover problems with Lead Safe Weatherization or disturbance of other environmental pollutants. This is an optional expense eligible to be charged to the Liability Insurance line item.

3 Fiscal Audits – Actual costs, per Subgrantee cost allocation plan, attributable to the weatherization program for independent fiscal audit.

4 Base Program Operations – The cost of weatherizing the unit. Agencies may not exceed an **average cost per home of \$7000.00** in Base Program Operations. (See OMB Circular A-122 Attachment A and B for details.)

5 Health and Safety – The cost for the evaluation, repairs, and/or replacement of water heating, furnace or vented space heating systems. This category represents an amount not to exceed **20% of Base Program Operations expenditures** and is not included in the average cost per home. The primary goal of the program is energy efficiency. The cost of all energy-related health and safety risk mitigation must be charged to the DOE health and safety line, LIHEAP Mechanical or other outside funding sources. All costs must follow DOE WPN 17-7, and DOE Health and Safety costs **must** be paired with DOE Base expenses.

504.3 DOE REWEATHERIZATION

DOE: Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** the unit is **not eligible** for additional weatherization services utilizing DOE funds. Please reference WPN 13-1, section V.1.2. A “Reweatherized” unit falls into the category of time indicated above and described under 20 CFR 440.18(e)(2)(iii).

The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

1. Each client's address must be entered into IWAP to identify whether the client's home has been weatherized during or after 2000 (length of IWAP historical records);
2. Each client must be asked whether their home has been weatherized after September 30, 1994; and
3. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Subgrantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Subgrantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHEDA or from new weatherization service providers. Failure of any Subgrantee to comply with any such request could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHEDA.

504.4 Work Order Changes

Work order changes are defined as an item or items needing performed in order to complete a measure identified in the audit yet determined not to be performed on a regular basis. Subgrantees shall require that charges for these work order changes are arrived at following proper procurement practices, invoices are itemized by labor and material costs and approval for the item or items is obtained by the Subgrantee prior to being performed.

506 STATE-FUNDED INDIANA HOME ENERGY ASSISTANCE PROGRAM

Pursuant to **I.C. 4-12-1-14.5**, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement to be used in the newly created Indiana Home Energy Assistance Program. Weatherization services must be conducted according to the LIHEAP guidelines described in Section 503, except as listed below.

The Indiana Home Assistance Program ("State LIHEAP Program") guidelines and procedures differ from the guidelines and procedures contained in Section 503 as follows:

1. All State LIHEAP weatherization funds must be used on **owner occupied units**;
2. Completions will be listed in IWAP under the funding source: **State LIHEAP**;
3. Allowable Administrative costs are 5% of expended grant amount;

4. State LIHEAP cannot be combined with Federal LIHEAP Weatherization grant funds on the same unit to deliver traditional weatherization services;
 5. State LIHEAP can be combined with DOE funding on the same unit following Federal LIHEAP guidelines; and
 6. There are no Supply or Equipment budget line items.
- Deferral issues can be addressed with State LIHEAP funds for homeowners only. Please refer to section 900 of this policy manual for guidance on addressing deferral issues.

507 UTILITY PROGRAMS

Funding from Utilities must be used to enhance the Subgrantees Weatherization Assistance Program, including such activities as addressing deferral issues. It is important to note that Utility funds are not considered program income. Subgrantees eligible to participate in utility programs administered by IHCD will enter the required information in IWAP under the Utility DSM Program Installation report. The required information is within the scope of traditional weatherization services. The report is triggered by the zip code and name of utility provider associated with the unit being weatherized. **Only measures paid for with LIHEAP and State LIHEAP funds are eligible for utility rebates. Measures paid for with DOE funds are not eligible to be submitted for rebates.**

The active time frame and amount of funds/rebates paid for each eligible measure is determined by the individual utility. IHCD will process and issue funds to the Subgrantees throughout the active time frame. These funds should be used within twelve (12) months from the time they are received. Utility funds must be used to enhance your weatherization program through traditional weatherization services or the elimination of deferral issues. Utility funds cannot be used to buy-down a measure.

All funds received through an IHCD administered utility program must be tracked separately and recorded on the closeout form of the program the funds were used to support.

508 FUNDING SOURCE COMBINATIONS

The funding sources for weatherization and their sub-programs may be combined on any one weatherization job, in order to provide flexibility and to ensure that an individual dwelling can receive all appropriate measures as determined by the energy audit. The following are the allowable funding source combinations:

1. DOE Base + LIHEAP Mechanical
2. DOE Base + State LIHEAP Mechanical
3. DOE Base + LIHEAP Mechanical + DOE Health & Safety
4. DOE Base + DOE Health & Safety
5. LIHEAP Base + LIHEAP Mechanical creating a LIHEAP Capital Intensive

6. State LIHEAP Base + State LIHEAP Mechanical creating a State LIHEAP Capital Intensive
7. State **Deferral** Funds can be combined with State LIHEAP, LIHEAP or DOE funding on the same unit. Please reference Section 900 for specific guidelines for the State Deferral Funds.

Notes: Any one unit can only be counted as a completion in two funding sources.

- **LIHEAP BASE and DOE BASE can NEVER be mixed.**
- **State LIHEAP BASE and LIHEAP BASE can NEVER be mixed.**
- **State LIHEAP BASE and DOE BASE can NEVER be mixed.**
- **State LIHEAP and LIHEAP can NEVER be mixed for a traditional Weatherization completion.**
- **DOE Base can NEVER be mixed with LIHEAP or State LIHEAP Capital Intensive.**
- **According to DOE WPN 11-6A, DOE Health and Safety must be paired with DOE Base expenses. This means that DOE Health and Safety CANNOT be paired with LIHEAP Base, LIHEAP Capital Intensive, State LIHEAP Base or State LIHEAP Capital Intensive**

Examples of how to combine various funding streams are given below.

- A home is weatherized under DOE Base Program. The Mechanical work, totaling \$600.00 is completed under the LIHEAP Mechanical Program. The Base work would be charged to DOE, including all related labor, as a Base completion. The Mechanical work, including labor, would be charged to LIHEAP Mechanical. This would be a completion under the DOE Base Program and also under the LIHEAP Mechanical Program.
- A home is weatherized under DOE Base Program where a heating system is replaced as an energy efficiency measure (ECM). The heating system, totaling \$4800, is completed and is to be shared between the DOE Base Program and the LIHEAP Mechanical Program. The shell work would be charged to DOE Base. Any part of the heating system that is to be charged to DOE must also be charged to Base when the heating system is an ECM. LIHEAP Mechanical can also be used to share the cost of the heating system. Sharing the cost between DOE Base and LIHEAP Mechanical allows the Subgrantee to maintain the DOE Base + LIHEAP Mechanical funding combination flexibility, especially in situations where a furnace replacement as an energy efficiency measure would limit the installation of additional measures because of limited funds.
- The Base work was completed under LIHEAP and the home required \$2,000.00 in mechanical work. The mechanical work could be charged to LIHEAP Mechanical resulting in a LIHEAP Capital Intensive completion.
- The same home in the previous example could be completed as a LIHEAP Capital Intensive unit and counted once as such. Or the Base work could be completed under DOE and the Mechanical work under LIHEAP Mechanical and counted as a completion under both programs.

SECTION 600

Training

601 IMPORTANCE OF TRAINING

Due to the technical and changing nature of the Weatherization Assistance Program (WAP), a high priority has been placed on the training aspect of the program. In Indiana, Weatherization specific training is offered by the Indiana Community Action Association (INCAA). Lead based paint risk assessor/inspector training is offered by the Environmental Management Institute (EMI). Classes of both organizations combine lecture, hands-on and applied field demonstrations of the concepts discussed in the classroom in order to provide theory and application to weatherization staff and contractors.

Technical assistance which provides guidance on specific problems found in the field is a strong component of the WAP. Training and technical assistance in the field may be provided by either INCAA training staff or IHCDAs personnel depending on the issue and/or contractual commitments.

Agencies are strongly encouraged to take full advantage of the opportunities available to them for program enhancement and improvement through training and technical assistance. IHCDAs has taken a strong position that the Weatherization Assistance Program will maintain its level of technical expertise only through the continued emphasis on its Training and Technical Assistance component.

Training and monitoring are the tools that IHCDAs uses to ensure that weatherization measures are applied consistently, and that Indiana maintains a high standard of work. Along with increasing flexibility in the combining of funds, IHCDAs has implemented training requirements to help ensure that monies provided are used on weatherization measures that will enhance energy savings. By including all staff and contractors in this process, it will ensure organizational performance while providing the means for evaluating our achievements, as well as developing plans to improve upon our successes.

Subgrantees can find Indiana's newly updated SWS-aligned Field Guide, Health and Safety Plan guidance, and 2018 State Plan at <https://www.in.gov/myihcda/weatherization.htm>. INCAA will be providing training in PY2018-19 on all guidance.

602 MINIMUM TRAINING REQUIREMENTS

Working in conjunction with DOE's Weatherization Job Tasks Analyses IHCDAs, in cooperation with INCAA, has developed Indiana Weatherization Competency Standards.

The following three categories of workers exist in Indiana's Weatherization Competency Standards:

- Energy Auditor
- Retrofit Installers (Shell and Mechanical)
- Crew Leaders (Required for Shell only)
- Crew Leaders will be allowed to re-certify both their Retro Shell and Crew Leader Competency as a combined certification as long as both Crew Leader and Retro Shell ISV certifications are current at time of their re-certification.

The following certification(s) are required by DOE with the training and certification process available at INCAA:

- DOE Quality Control Inspector (QCI)

The following certification(s) are offered at INCAA in addition to the requirements above:

- DOE Energy Auditor

Individuals performing energy audits in Indiana's Weatherization Assistance Program must either be Indiana Competent as an Energy Auditor or possess DOE/BPI's Energy Auditor Certification.

Indiana Weatherization Competency Standards:

Those required to pass competency standards:

- All individuals working within the Indiana Weatherization Assistance Program in the categories of Energy Auditor, Retrofit Installer (Shell and Mechanical), Crew Leader and Quality Control Inspector are required to pass and maintain competency or certification in the category in which they work.
- Individuals needing or desiring to perform final inspections in Indiana must obtain and maintain the QCI certification through the Building Performance Institute (BPI).
- All individuals desiring to become Indiana Weatherization Competent must be working with/for (staff and/or contractors) an IHCD funded Subgrantee (with Weatherization funding) in order to train for and achieve being Indiana Weatherization Competent.
- Intake staff, fiscal staff, and clerical staff **are not** required to pass competency training.
- Workers who are performing limited, rarely utilized services such as specialty plumbers, exterminators, mold remediation, or specialty electricians **are not** required to pass competency training.
- Specialty contractors whose work results in changes to exhaust systems, ventilation systems or the tightening of the home **are required** to complete the Daily Safety Test Out (DSTO) training at INCAA and **are required** to complete a DSTO form upon completing their work on the home.
- IHCD **does allow** the use of a Mechanical Helper. The Mechanical Helper is defined as an individual who only performs tasks such as helping remove old heating equipment

and/or ductwork, assist with carrying tools and equipment to/from the home, and other work not related to testing, commissioning or adjusting heating systems. The Mechanical Helper is not allowed to be left at the home unsupervised, must be working with an Indiana Competent Retrofit Installer-Mechanical technician and is not allowed to perform any diagnostic testing, CAZ testing, or adjustments to/of heating systems. Subgrantees are responsible for tracking the names and use of Mechanical Helpers. Subgrantees must also ensure that the names of Mechanical Helpers are listed in the client file for each home worked in as required in Section 607 below.

- It is the Subgrantee and the certified/competent technician's responsibility to ensure that the Mechanical Helper is properly supervised and utilized.
- The Mechanical Helper must have a background check performed prior to working in a client's home as outlined in section 610.

603 TRAINING REQUIREMENTS

Testing will be performed at the end of each class offered through INCAA. This testing is required as part of INCAA being a nationally accredited training center and follow DOE's National Training/Certification Program. Test results will be tracked by INCAA and available to IHCD, as well as the Subgrantee Weatherization Program Manager and Subgrantee Executive Director upon request.

Subgrantee Executive Directors and Weatherization Program Managers may only request and view testing results for their employees or sub-contractors.

Time Limits for becoming Indiana Weatherization Competent

- All Subgrantee staff/contractor new employees will have **nine** months commencing 45 days from their date of hire to become Indiana Weatherization Competent in the categories of Energy Auditor, Retrofit Installer (Shell and/or Mechanical) and Crew Leader.
- Subgrantees are allowed to enroll new staff/contractor employees in training prior to the expiration of the 45 days if they choose to do so. This decision should be based upon the expectation that the new staff/contractor employee will be retained in their new position.
- Subgrantees may shorten the 45-day grace period to 30 days provided this shortened time period is approved by IHCD and included in the Subgrantee's policy and human resources manuals.
- All Subgrantee staff/contractor employees must have a completed background check prior to being allowed to work in/on client homes. IHCD's specific requirements for background checks are detailed in Section 610 below.

- **Individuals not identified as working with an IHEDA funded Subgrantee providing Weatherization services will not be allowed to participate in training or testing toward becoming Indiana Weatherization Competent.**
 - Exceptions to this requirement will only be allowed on a case by case basis. Should an exception be desired or felt necessary, permission from IHEDA must be granted prior to attending training and pursuing competency verification.

Testing Parameters

- Becoming Indiana Weatherization Competent will require passing both a written exam and a skills verification event. The skills verification event will involve performing skill sets associated with the competency category being tested.
 - Both the written test and the skills verification event are pass/fail. There will be no provisional results given.
 - Should re-testing of the skills verification be necessary only the portion failed by the candidate will need re-tested.
 - Should re-testing of the written test be necessary, the entire written test must be completed. Certain categories of competency utilize more than one test. For these competencies candidates will be given a different test on their second attempt.
 - All testing results will be sent to the candidate, the Subgrantee Weatherization Program Manager and the Subgrantee Executive Director.
 - Candidates will have **three** opportunities to pass all testing to become Indiana Weatherization Competent. Individuals that fail to pass competency on the **third** attempt will be required to submit a formal request to IHEDA for reapplication to work in Indiana's Weatherization Assistance Program for consideration.
 - If the individual testing for one competency holds another competency, yet fails the second attempt for the additional competency, the individual would be able to continue working in the competency that has been achieved. For example: if an individual has become Indiana Weatherization Competent as a Retrofit Installer Shell, This same individual tests to become a Crew Leader but fails both attempts. This individual would be allowed to work in Indiana's Weatherization Assistance Program as a Retrofit Installer Shell but not perform the duties of a Crew Leader.
 - Should a second attempt at passing competence be needed, the second attempt shall take place no later than **three months** following the initial attempt.
 - IHEDA will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the Subgrantee or contractor will be responsible **for the cost of any subsequent test procedures.**
 - Competency testing must take place no later than the conclusion of the nine-month training period commencing 45 days from their hire date.

Quality Control Inspector (QCI) through BPI

- Candidates needing to become QCI Certified must complete the following steps:
 - Apply for a letter of permission from BPI to sit for testing
 - Pass both written and skills verification testing according to BPI and DOE requirements
- Testing Perimeters
 - The QCI written test is performed on a lap top computer at INCAA and requires the letter of permission from BPI
 - Candidates have six opportunities within a twelve-month time period, commencing at the date of the first test, to be successful at the written test. Should the candidate fail the written test six times they are ineligible to test again until the twelve- month time period has elapsed.
 - IHCDCA will only cover the expense for the first test. Should additional attempts at testing be necessary the cost of testing will be the responsibility of the contractor, the Subgrantee or the individual taking the test.

Class Recommendations/Requirements

- Individuals new to Weatherization attempting to obtain the Retrofit Installer Shell Competency are strongly encouraged to complete Daily Safety Test-Out (DSTO) training prior to performing skills verification testing.
- Individuals attempting to obtain the Energy Auditor Competency or DOE's Energy Auditor Certification are strongly encouraged to complete Mechanical Systems for Auditors prior to performing skills verification testing.
- Individuals pursuing the Retrofit Installer Mechanical Competency are **required** to complete the CAZ Pressure Diagnostics for Auditors and Heating Technicians training through INCAA.

604 DURATION, MAINTENANCE, AND RECORDKEEPING

- Each Indiana competency will be in effect for three years
 - At the end of the three year duration each competent individual must re-test and pass the skills verification portion of their competency (s).
 - Each candidate will have two opportunities to pass the skills verification portion of their competency (s).
 - IHCDCA will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the Subgrantee or contractor will be responsible for the cost of the second testing event.

- At the end of three years, individuals holding competencies as both Retrofit Installer Shell and Crew Leader will only need to test for and pass the Crew Leader competency. Passing the Crew Leader skills portion will initiate the next three year cycle for both the Retrofit Installer Shell and Crew Leader competencies. From that point forward, both competencies will have the same expiration dates.
 - Individuals are required to perform the Crew Leader testing based upon which competency expires first. For example, an individual's Retrofit Shell Competency expires on April 15, 2016 while their Crew Leader expires on June 30, 2016. This individual is required to perform the Crew Leader testing PRIOR to the April 15th date – it is the competency that expires first.
- The BPI Quality Control Inspector certification is also in effect for three years. All BPI requirements regarding the QCI certification must be followed to maintain this certification.
- All Indiana Weatherization Competent, QCI and BPI certified individuals are required to attend an Annual Competency Maintenance Training in years two and three of their competency(s) or BPI Certification.

604.1 CONTINUING EDUCATION UNITS (CEUs)

IHCDA is reviewing current CEU requirements and may issue additional guidance to Subgrantees during PY 2018-2019.

The requirement of Continuing Education Units is designed to ensure that Indiana's Competent and Certified individuals increase their knowledge base beyond what is necessary to obtain the competency. This is one way that IHCDA is helping to ensure that each client's home receives the highest quality of Weatherization services possible.

All Indiana Weatherization Competent individuals must acquire 16 CEUs per year (April 1 – March 31).

- Record of CEUs **must** be tracked by the **Subgrantee** for their Weatherization staff, crews, and contractors.
- The 16 CEUs requirement is per individual and not per competency. For example, an individual holds competencies for both Retrofit Installer Shell and Energy Auditor. This individual is only required to obtain 16 CEUs.
- Subgrantees must track the training that was taken connected to the claimed CEUs for review at time of monitoring. This tracking must include documentation verifying completion of the training, who performed the training and the length of time that the training lasted.
- **Non-technical training for CEUs is limited to four (4) hours.**

- The requirement for CEUs begins at the time that an Indiana Competency is obtained. The following scale represents a reduced CEU requirement based upon when the first or initial competency is obtained:
 - Competency obtained on or after July 1: 12 CEUs required
 - Competency obtained on or after October 1: 8 CEUs required
 - Competency obtained on or after January 1: 4 CEUs required
- For the QCI certification, BPI requires that individuals holding this certification obtain 24 CEUs over the three year duration of the certification. Provided that the QCI obtains the 24 CEUs, they will only be required to pass the skills portion of the QCI testing to recertify.

The following is a list of examples of training that apply toward the 16 hours of Indiana continuing education:

- National DOE Conference
- Affordable Comfort Conference
- Annual Competency Maintenance Training – (Pre-set at 4 CEUs)
- Semi-Annual Technical Training (SATT) – (Pre-set at 4 CEUs)
- Semi-Annual Managers Meeting(SAMM)
 - For those involved in Program Management
- Indiana Healthy Homes Conference (Lead Base Paint, Mold, etc.)
- Lead Based Paint **refresher courses** including Risk Assessor, Inspector, Supervisor and Renovator
- INCAA General Weatherization Training
 - INCAA courses are rated hour for hour regarding CEUs. For example, a class that lasts for six hours will result in accumulating six hours of CEUs.
 - Examples include DSTO Class, CAZ Classes, High Performance Insulation, etc.
- On-Site Technical and Training Assistance Trainings performed by INCAA
 - Sign-in sheet is required for CEUs to count
 - Sign-in sheet must record how long the training lasted
 - CEUs will accumulate hour for hour as described above. If the training lasts six hours then six CEUs are accumulated.

The following is a list of examples of training that DO NOT apply toward CEUs:

- The required training to obtain a particular competency DOES NOT count toward CEUs. For example – someone is taking the five-day Energy Auditor training to obtain their Energy Auditor Competency. This five day class DOES NOT count as CEU's – it is required to obtain the competency (For instance, if the above person takes a CAZ class to supplement the Energy Auditing training, the CAZ class DOES count toward their CEUs).
- Classes outside of INCAA that do not pertain to Weatherization skills and topics
- Classes that are taken for which the Subgrantee has no documentation of class completion or attendance

- Classes that are not related to the competency or certification that the individual(s) obtain

Please note that these are not exhaustive lists. Questions regarding whether or not a particular training would/should apply toward the 16 hours of continuing education should be directed to IHCDa prior to attending the training.

Questions regarding industry specific training being allowed to count toward the 16 hours of training should be directed to IHCDa.

IHCDa STRONGLY recommends that the required CEUs be obtained through training offered through the accredited Weatherization courses offered at INCAA.

Each IHCDa Subgrantee is responsible for accurately tracking all staff and/or contractor competencies and certifications.

This tracking must include the following information:

- Individual name and competency(s) and/or BPI certifications held
- Date competencies and/or BPI certifications expire
- Hire date
- Attendance at Annual Competency Maintenance Training
- Current BPI/INCAA Certifications where applicable
- Record of training for 16 hours of CEUs

IHCDa will verify training records and qualifications of all Subgrantee staff, crew members and contractors annually near the end of March. Subgrantees must be prepared to provide training documentation whenever it is requested by IHCDa. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets (conferences for example), and BPI student portal information. IHCDa may, at their discretion, monitor the tracking and completion of the required training at times other than listed in the bullet point above.

605 ADDITIONAL COMPETENCY/TRAINING REQUIREMENTS

IHCDa staff and contracted monitors responsible for evaluation of Subgrantee administrative performance are required to complete at least eight (8) hours of administrative training per year.

IHCDa staff and contracted monitors responsible for evaluation of Subgrantee technical performance are required to complete at least ten (10) hours of technical training per year.

IHCDa staff and contracted monitors responsible for evaluation of Subgrantee technical performance are required to be either Indiana Weatherization Competent as an Energy Auditor or BPI certified as an Energy Auditor and be certified as a BPI Quality Control Inspector.

Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the Subgrantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCD. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the Subgrantee must attend in their place. SAMM's will be held no more often than twice per year and other administrative courses will be held as deemed necessary by IHCD. When possible, IHCD will attempt to host trainings via webinar, video conferencing, distance learning, or conference calls.

Each Subgrantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). All field staff and contractors are encouraged to attend when not otherwise restricted by IHCD. SATT's will be held no more often than twice per year unless additional training is deemed necessary by IHCD.

All staff or contractors subject to the competency training outlined earlier in this chapter are required to attend Lead Safe Work Practices and Mold & Moisture Assessment within the first nine months of employment.

Verification of LSWP/Moisture certification is not required after four (4) years of continuous employment in the Indiana WAP as an ISV mechanical, crew leader, shell, audit or QCI.

Following WPN 17-7, Grantee Monitors and Inspectors must be Certified Lead Renovators.

606 ADDITIONAL TRAINING OPPORTUNITIES

IHCD will continue to offer, through INCAA, additional courses which will address specialized training needs in one to five-day class formats. Course subjects, course descriptions, length of classes, prerequisites, and course schedules are located on INCAA's web site at incap.org under the Weatherization Training link.

Classes are filled on a first come-first served basis. Once a class is filled, Subgrantees are encouraged to place those needing training on the waiting list so that existing classes can remain full if there are cancellations and future classes can be scheduled to meet the demand. To be placed on the waiting list individuals must register for the class.

607 LEAD BASED PAINT

Every Subgrantee is required to be in compliance with the Environmental Protection Agency's (EPA) Lead Renovation, Repair, and Painting Rule (RRP). All contractors performing work where de minimis levels of assumed and/or confirmed lead based paint will be disturbed must be an EPA Firm and comply with the EPA RRP Rule. Details regarding compliance and requirements can be found at the EPA's RRP site <http://www.epa.gov/lead/pubs/renovation.htm>

All HUD properties receiving Weatherization services must follow HUD lead based paint rules.

IHCDA Minor Paint Disturbance Policy:

- All homes built prior to 1978, where paint will be disturbed, and the paint is either verified or assumed to be lead based paint, the following lead safe work practices, at a minimum, shall be used:
 - Lay 6 mil plastic 10' beyond the area where paint is disturbed – exterior
 - Lay 6 mil plastic 6' beyond the area where paint is disturbed – interior
 - Wet the area of paint being disturbed
 - Wet all paint chips prior to clean up and removal
 - Limit access to the area where paint is being disturbed
 - Ensure that all proper personal protective equipment is used
 - Ensure proper disposal of trash and material
 - Provide pictures for the client file showing use of lead safe work practices
 - Use the XRF to limit the need for lead safe work practices
- IHCDA requires that each Subgrantee maintain the following:
 - Obtain and maintain Lead Firm Status through the EPA
 - Have at least one Weatherization staff member who has achieved Renovator certification
 - Have at least one Weatherization staff member who is a licensed Lead Inspector and capable of performing lead tests with the Niton XRF Analyzer, or similar XRF analyzer.

608 OSHA TRAINING

OSHA 10 hour training is required for all Weatherization workers including auditors, final inspectors, shell workers, mechanical workers, crew supervisors, and HVAC employees who work in the home. For newly hired employees, this training must be completed within the first nine months of employment commencing 45 days from hire date.

609 BACKGROUND CHECKS

In order to protect the safety of clients receiving weatherization services, Subgrantees must perform a criminal background check and employment verification prior to the employment of Subgrantee/contractor employees planning to work with clients or in the home of client's being rehabilitated or weatherized as a part of Indiana's Weatherization Assistance Program.

The criminal background report must contain a criminal background check which includes the following:

- State and county records from all 50 states including data from courts, sexual offender registries and department of correction records

- An Indiana criminal history check which contains records of criminal convictions or currently pending criminal charges in counties throughout the State of Indiana
- A Social Security Number (SSN) Trace which provides names and addresses associated with a social security number along with the date and state of its issuance (this is a tool to aid in verifying the identity and location of a particular applicant)
- Confirmation of employment dates and job titles held with previous employers, the reason for leaving, and eligibility for rehire, if available.
- Subgrantees must use careful consideration when analyzing the results of the reports and prohibit employment of anyone convicted of violent offenses (including but not limited to aggravated battery, physical assault, use of weapons, home invasion, rape, murder, burglary, robbery) or appearing in any sex offender registry.
- Subgrantee Weatherization Program Managers are encouraged to work with their Human Resources and Executive Staff personnel to develop acceptable hiring practices based upon background check results.
- It is the Subgrantee's responsibility to ensure that this background check is performed and properly tracked for all Subgrantee weatherization staff and contractor employees.

610 COMPLIANCE ISSUES

IHCDA will evaluate compliance with competency and other required training annually. Subgrantees must be prepared to provide IHCDA with training documentation whenever it is requested by IHCDA.

If a Subgrantee fails to meet the Indiana Competency Training or DOE Quality Control Inspector (QCI) requirements or is found to have an individual or individuals working or worked on a weatherization home without the above mentioned requirements. IHCDA may take, but not be limited to, the following steps:

- Issue a written finding with a timeline for resolution of the non-compliance issues
- Require re-works or re-inspections at the Subgrantee/contractor expense
- Require repayment of all funds claimed for the affected Weatherization work
- Hold the Subgrantees weatherization financial claims until all issues are properly addressed

Temporarily suspend the affected workers from performing work in Indiana's Weatherization Assistance Program. IHCDA will review Subgrantee compliance through Subgrantee files (tracking) and INCAA training records. It is the responsibility of the Subgrantee to identify within the client file each individual(s) who completed the initial audit, shell and mechanical work (including everyone performing work), pressure diagnostics of the home, who evaluated the combustion appliances and performed the interim inspection (when necessary) and the Quality Control Inspection (QCI).

611 DOE NATIONAL CERTIFICATIONS

Every weatherized home in Indiana must be final inspected by a BPI certified Quality Control Inspector (QCI) to count as a completion.

The QCI Certification will be effective for three (3) years. The Building Performance Institute (BPI) is the certifying body for the QCI Certification. BPI requires that each QCI Certified individual obtain 24 CEUs over the three (3) year duration of the certification. IHCDCA will allow the CEUs obtained for this certification to count toward the 16 CEUs outlined in Section 604.1 above. QCI certified individuals are encouraged to reference BPI's web site regarding acceptable CEUs for the QCI certification.

IHCDCA will continue testing for DOE's National Energy Auditor Certification and Quality Control Inspector during the DOE funding cycle of April 1, 2018 – March 31, 2019.

612 ROLES AND RESPONSIBILITIES

What is an Energy Auditor?

An energy auditor is a residential energy-efficiency professional who **evaluates** the energy efficiency and health & safety of a home and conducts field measurements and diagnostic testing to identify areas for energy savings and enhancements. The energy auditor **produces a work order** based upon the information gathered to direct the energy efficient work and installed measures for homes to be weatherized.

What is a Quality Control Inspector (QCI)?

A quality control inspection is a residential energy-efficiency professional who **ensures** the completion, appropriateness and quality of energy efficiency upgrade work and installed measures. This will be accomplished by the following:

- Conducting a methodological audit/inspection of a building and the completed work
- Performing safety and diagnostic tests
- Observing the work
- **Reviewing/assessing** the effectiveness and completeness of the energy audit

IHCDCA Expectations and Best Practices for Indiana's Weatherization Network

Effective April 1, 2018, IHCDCA will allow two options for meeting the Quality Control Inspection requirement. Subgrantees must apply to IHCDCA in order to be able to utilize the Energy Auditor as the QCI option and must indicate their intended method to IHCDCA for

consideration. Subgrantees that do not submit a plan to IHCD will be required to utilize an Independent QCI.

Independent QCI

Per WPN 15-4, the Independent QCI is an individual that has no involvement in the prior work on the home either as the auditor or as a member of the crew. The Grantee or a DOE-approved representative (for example, a certified QCI employed by a third-party) must perform quality assurance review of at least 5 percent of all completed units.

- Separation of duties between the Energy Auditor and QCI must be clearly defined – and not crossed.
- Weatherization Program Managers are NOT a good fit to be a QCI for the program they manage.
- The QCI must take every precaution necessary to not become involved in the decision making process regarding the work being performed at the home.
- All additional work or needed re-work should be brought to the attention of the WX Program Manager or Energy Auditor and not handled directly by the QCI.
- Crew Leaders should seek guidance on performing work from the WX Program Manager or Energy Auditor.

Energy Auditor / QCI

A. The auditor performs the audit, creates the work order, and performs the final quality control inspection. The auditor is not involved in any of the actual work on the home. Because this model does not allow for an independent review of the audit on every home, IHCD is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCD will monitor a minimum of 10% of DOE completions.

B. Inspectors shall not participate in professional activities involving a conflict of interest. A conflict of interest occurs when an inspector is inappropriately motivated by any financial, personal, or professional incentive other than the production of a professional report that clearly, completely, and usefully reflects the conditions observed during the audit. Inspectors shall avoid, whenever possible, even the appearance of a conflict of interest and shall disclose all potentially questionable associations and relationships in advance to IHCD with a legitimate right to be informed of them.

C. Inspectors shall not inspect work performed by organizations under arrangements whereby any compensation or future referrals to the inspector depend on or are influenced

by the findings of the report. Compensation includes direct and indirect remuneration as well as substantial gifts and favors. Inspectors shall not accept any form of compensation for recommending products or services to clients or other parties having an interest in the inspected work.

D. Additional documentation may be required by IHCDCA if necessary, including:

- Documentation of the independent status of the Quality Control Inspector
- Documentation outlining any involvement of the QCI in the audit process

E. Quality control inspections are subject to IHCDCA assessment of effectiveness and compliance with program inspection policies and monitoring will include documentation of any findings related to the quality of the inspection and impartiality of the inspection process.

F. IHCDCA will maintain tracking of all subgrantee QCI activities to include all aspects of the subgrantee developed QCI process, subsequent corrective actions, and final outcomes.

G. If QCIs are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or Subgrantee staff. Limited remedial training may be provided by IHCDCA staff onsite at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDCA staff may provide more comprehensive training at a later date. Repeated noncompliance issues after remedial training may result in the agency being placed on QIP, or a reduction in funding. All compliance issues found with QCIs are subject to IHCDCA review, and may result in the QCI not allowed to perform inspections for Indiana WAP.

J. Subgrantees may not be considered if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies,
- outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days
- after the invoice or purchase order date, contractors paid beyond the 45 day requirement
- Staff or contractors fail to receive proper certifications
- Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25 percent of client files reviewed are deemed ineligible
- High risk outcome on the Risk Assessment

Subgrantees are required to ensure that each weatherization completion receives an appropriate and properly executed final inspection. This inspection must be performed by a

BPI certified Quality Control Inspector (QCI). IHCD, as part of their regular monitoring procedures, will review final inspection forms, Subgrantee inspection processes and completed homes to ensure the inspections are being performed correctly and in a manner that meets DOE expectations as outlined in WPN 15-4.

Failure by the Subgrantee to utilize the QCI process correctly may result in the associated completion(s) being considered unallowable, and all associated cost being returned to IHCD. Should multiple instances of poorly performed inspections be found, IHCD will, at the very minimum, place the Subgrantee on a Quality Improvement Plan (QIP). Should the QIP fail to correct the issues, IHCD will pursue further remedies for noncompliance as allowed in their Weatherization Policy and Procedures Manual, and the Subgrantee grant agreement (contract).

613 TRAINING STIPEND

Subgrantees will be allotted a \$1,000 base award with an additional \$500 for every county serviced by the Subgrantee per grant cycle for the purpose of providing Training and Technical Assistance for subgrantee staff and contractors interested in performing weatherization work for the Subgrantee. These funds may be used to cover only those expenses related to weatherization training, including:

- Class Fees
- Material Fees
- Written / Field Testing
- CEU Events
- Salary / Wage / Time reimbursement
- Travel Expenses (excluding meals)
- Lodging

Contractors must demonstrate their commitment to providing weatherization services for the Subgrantee by having an active contract with the Subgrantee before being considered for the stipend. Requests for stipends to reimburse contractors without an active contract must be reviewed by IHCD.

Subgrantees that use a stipend for contractors and staff must provide training documentation to IHCD upon submitting claims for the stipend. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets, and BPI student portal information.

Examples of allowable courses are listed on INCAA's website, as well as those outlined in Sections 602 and 604. Subgrantees must have approval from IHCD A for classes not listed prior to attending if the stipend will be used. Other associated costs related to training not listed above must first be approved by IHCD A. Requests for additional funds will be submitted to IHCD A for review.

SECTION 700

MONITORING

701 QUALITY ASSURANCE

The primary purpose of monitoring visits is to assist the Weatherization Subgrantee in providing high quality energy conservation services to low-income people. Monitoring also provides compliance review and information sharing to Weatherization Subgrantees to ensure that:

- High quality, comprehensive weatherization services are provided consistently throughout the state.
- Healthy, safe, and energy efficient housing improvements are provided to low-income households.
- Program accountability and efficiencies are in effect and verifiable
- Federal, State and IHCD standards and regulations are followed

702 STANDARDS AND PRACTICES

Program Monitoring

In program year 2018-2019, an in-house fiscal monitor will provide fiscal monitoring, and a contracted monitor will conduct the majority of the technical monitoring, file monitoring, and program monitoring. IHCD will review reports before they are distributed to Subgrantees. IHCD will perform real-time Program Monitoring for each Weatherization Subgrantee at least once a year. The program monitoring includes a review of Program Administration, Procurement, Training, Competency & Certification, Database Input, Fiscal Information, Client File Review and Field Inspections. At least 10% of completed DOE client files will be reviewed. Each area of the Program Review is explained in more detail below.

- **Program Administration** – IHCD will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **Procurement** – This section covers materials procurement and selection; contractor selection, procurement, and evaluation; price lists and written procurement standards. Please reference Section 800, sub-section 807.1 of this manual for additional information.
- **Training, Competency & Certification** - IHCD monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in *Section 600* of this manual. Monitors will also review contractors for compliance with local licensing standards. Subgrantee lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.

- **Database Input** – A selection of the client files are checked to ensure information from the client files is getting entered into the IWAP database accurately and completely.
- **Fiscal** – IHCDCA will perform financial monitoring for their Weatherization Subgrantees. The financial monitoring will occur in conjunction with the Weatherization Program/File Monitoring. IHCDCA will check for appropriate payment processing as specified in *Section 500* of this manual. The monitor will also look at grant utilization to insure funding is utilized in allowable combinations, that Subgrantees have properly tracked and utilized Program Income, that contractors are paid within the allowable payment period, and that the back-up documentation provided with claims is appropriate to the claim made.
- **Client File Review** – Files will be pulled at random from completions entered into the IWAP database. These files will be checked for correct forms, accurate information, appropriate work processes, and eligibility verification. Monitors will also request a sampling of deferred files to review for appropriate documentation and appropriate deferral. A minimum of 10% of all completed DOE client files will be reviewed.
- **Field Inspections** (See Technical Monitoring below) – IHCDCA will conduct on-site inspections of a sample of dwellings pulled from the file review or at random from the IWAP database. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by DOE, HHS and IHCDCA. The local Subgrantee is responsible for quality control on all completed units and must ensure that the final inspection completed by the BPI certified Quality Control Inspector (QCI) attests to the level of quality, professionalism, and appropriateness of all measures performed. The field inspection will cover the appropriateness of Base Load, Shell, and Health and Safety measures. During the field inspection, IHCDCA staff will be checking for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards, and accuracy of Subgrantee diagnostic testing.
- A copy of the Program Monitoring Tool utilized by IHCDCA's monitoring staff can be found <http://www.in.gov/myihcda/weatherization.htm> Appendix F.
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide Subgrantees with assistance in the technical aspects of the weatherization program. IHCDCA monitoring staff is available for consultation via the phone or email. If Subgrantee personnel feel it necessary, and time allows, IHCDCA monitoring personnel may be available for T&TA visits to the Subgrantee.
- **Quality Improvement Plan** – Program Monitoring visits uncovering serious, numerous or recurring findings may result in the Subgrantee being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the Subgrantee improve the areas of deficiency. As part of the QIP, IHCDCA monitors will make additional visits to the Subgrantee during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCDCA to accomplish the needed Subgrantee improvement. IHCDCA also reserves the right to issue a modified QIP, which could encompass fewer visits or a modified timetable.

A Subgrantee may be placed on a QIP if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies, outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45 day requirement
- Staff or contractors fail to receive proper certifications.
- Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25 percent of client files reviewed are deemed ineligible

Subgrantees who have been placed on a QIP will be studied carefully, and processes will be reviewed and analyzed by IHCD staff. Subgrantees can expect for IHCD staff to:

- Review completion reporting on a more frequent basis
- Perform DOE and LIHEAP fiscal analysis to ensure that the amount of funds claimed falls in line with the average cost per home based on completions entered into IWAP
- Additional monitoring of claims submitted for payment
- Training and technical assistance for program and administrative staff that will be customized to mitigate performance deficiencies. Additional onsite visits, as needed, to monitor the agency's progress in correcting the performance deficiencies

Technical Monitoring

IHCD will perform real-time Technical Monitoring for each Weatherization Subgrantee at least once a year. Technical Monitoring will evaluate the appropriateness of Base Load, Shell and Health & Safety measures. The Technical Monitoring will also review and inspect for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards and accuracy of Subgrantee diagnostic testing. Additionally, the Technical Monitoring will cover the quality, professionalism and appropriateness of all measures performed or installed. **A minimum of 5% of all DOE completed homes will be monitored for those Subgrantees utilizing an Independent QCI, and a minimum of 10% of all DOE completed homes will be monitored for those Subgrantees with an Energy Auditor/QCI.**

- Subgrantee responses to technical findings MUST include documentation verifying that all findings have been corrected.
- IHCD's monitoring staff will, when possible, incorporate in-progress visits to client homes as part of the Technical Monitoring visit.
- Effective May 16, 2015 IHCD's Community Programs Monitor will incorporate Indiana's standardized Final Inspection Form into each technical monitoring visit.
- IHCD's Technical Monitoring visits will include an evaluation of the Quality Control Inspector (QCI) process to ensure the inspection process is fulfilling the expectations of WPN 15-4.
 - Subgrantees are required to ensure that each Weatherization completion receives an appropriate and properly executed final inspection. This inspection must be

performed by a DOE/BPI certified Quality Control Inspector (QCI). IHCD, as part of their regular monitoring procedures, will review final inspection forms, Subgrantee inspection processes and completed homes to ensure the inspections are being performed correctly and in a manner that meets DOE expectations as outlined in WPN 15-4. Failure by the Subgrantee to utilize the QCI process correctly may result in the affected completion(s) being considered unallowable and all associated cost being returned to IHCD. Should multiple instances of poorly performed inspections be found, IHCD will, at the very minimum, place the Subgrantee on a Quality Improvement Plan (QIP). Should the QIP fail to correct the issues, IHCD will seek stiffer actions as allowed in the Weatherization Policy and Procedures Manual and the Subgrantee grant agreement (contract).

- If a client is a “no show” for a scheduled Technical Monitoring visit, an in-progress visit shall be performed during the time of the original appointment. It is the Subgrantees responsibility to know the locations where their contractors or crews are working to facilitate the in-progress visit under these circumstances.

Quality Improvement Plan

Technical Monitoring visits uncovering serious, numerous or recurring findings may result in the agency being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the agency improve the areas of deficiency. As part of the QIP, IHCD monitors will make additional visits to the Subgrantee during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCD to accomplish the needed Subgrantee improvement. IHCD also reserves the right to issue a modified QIP, which could encompass fewer visits or a modified timetable.

A Subgrantee may be placed on QIP if the following technical performance deficiencies are identified:

- For a modified QIP, at least 25 percent of the homes monitored are deemed ineligible
- For a QIP, at least 50 percent of the homes monitored are deemed ineligible
- The average cost per home has exceeded cost guidelines identified in DOE and HHS funding
- At least 50 percent of the homes monitored fail the combustion appliance zone testing
- Issues with overall work quality or failure to meet work specifications as prescribed by the Field Guide SWS-Aligned Edition

Subgrantees who have been placed on a QIP will be studied carefully, and processes will be reviewed and analyzed by IHCD staff. Subgrantees can expect for IHCD staff to:

- Review completion reporting on a more frequent basis

- Perform DOE and LIHEAP fiscal analysis to ensure that the amount of funds claimed falls in line with the average cost per home based on completions entered in IWAP
- Additional monitoring of claims submitted for payment
- Training and technical assistance for program and administrative staff that will be customized to mitigate performance deficiencies
- Additional onsite visits, as needed to monitor the agency's progress in correcting the performance deficiencies
- At least two (2) additional homes monitored for a modified QIP and up to four (4) additional homes for a standard QIP

703 MONITORING PROCESS FOR STANDARD DOE ALLOCATIONS

Program Monitoring Process

IHCDA's staff and contracted monitors prepare the monitoring schedule and contact each Subgrantee to establish the necessary appointments. Requests for Program and/or Financial Monitoring include notification of the client files chosen for review and all additional information such as financial, procurement, training, etc. Upon completion of the Program Monitoring IHCDA's monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. Within thirty business days of the exit interview IHCDA will issue a written report to the Subgrantee. The Subgrantee will then have fifteen business days as outlined within IHCDA's report to respond in writing to IHCDA. Upon receiving the Subgrantee's response, IHCDA's monitor will review the documentation and clear the monitoring as warranted. If additional information is required from the Subgrantee, IHCDA will issue a follow-up response detailing what information is needed with an appropriate deadline for the response. This process will continue until all items in the report are cleared and the monitoring closed.

Technical Monitoring Process

IHCDA's monitoring staff prepares the monitoring schedule and contacts each Subgrantee to establish the necessary appointments. Requests for Technical Monitoring include a list of desired homes to visit as well as alternates should clients not be available the date of the visit. Upon completion of the Technical Monitoring IHCDA's monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. For Technical Monitoring visits, an exit interview may be delayed, conducted via telephone or other means as situations permit, and the parties agree. Within thirty business days of the exit interview IHCDA will issue a written report to the Subgrantee. The Subgrantee will then have fifteen business days as outlined within IHCDA's report to respond to IHCDA. Upon receiving the Subgrantee's response, IHCDA's monitor will review the documentation and clear the monitoring as warranted. If additional information is needed from the Subgrantee IHCDA will issue a follow-up response detailing what information is needed with an appropriate deadline for response. This process will continue until all items in the report are cleared and the monitoring closed.

Subgrantees are prohibited from revisiting client homes chosen by IHCD for Technical Monitoring. Homes that are found to have been “revisited” prior to the Technical Monitoring visit will result in at least one additional home being selected for monitoring. IHCD may, at its discretion, require a Return of Funds for all expenses associated with the revisited home thereby removing it as a completed unit.

704 LIHEAP PROGRAM AND TECHNICAL MONITORING

Monitoring for LIHEAP and STATE LIHEAP funds will be performed in conjunction with DOE monitoring and/or as deemed necessary by IHCD. LIHEAP and STATE LIHEAP monitoring practices will be the same as outlined above for DOE with the exception of the percentage of client file and technical completions monitored. The percentages for client file and technical monitoring will be determined by IHCD based upon funding levels and Subgrantee performance.

For homes utilizing both DOE and LIHEAP the monitored process is outlined above. IHCD estimates that approximately 60% of Weatherization completions in Indiana utilize both DOE and LIHEAP funding.

705 MONITORING NOTES

IHCD reserves the right to question all associated costs and may require that the Subgrantee repay grant funds to IHCD out of private agency funds or non-federal dollars. Examples requiring a Return of Funds are the following: insufficient justification for work performed, insufficient documentation, ineligible clients, lack of adherence to policy or Federal guidelines or negligence is evident resulting in a dangerous condition for a client.

IHCD monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

Failure by the Subgrantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCD until the proper response is received.

IHCD regularly tracks DOE, LIHEAP and State LIHEAP expenditures, production and average cost per home. IHCD may, at their discretion, reallocate funding during the grant cycle should grant tracking reveal low Subgrantee expenditure or production rates as well as issues with their average cost per home.

Subgrantees failing to spend at least 80% of their awarded grant funds may be subject to funding allocation reduction or redistribution at IHCD’s discretion.

706 MONITORING APPEALS PROCEDURE

When a Weatherization subgrantee wishes to appeal a monitoring finding or concern, the subgrantee, within fifteen (15) working days of receiving the monitoring report, must provide a written appeal to the IHCD Director of Community Programs detailing the reason(s) for the subgrantee's objection to the decision, and documentation of the issue. This appeal should be in the form of a signed letter on agency letterhead.

Weatherization subgrantees must submit documentation outlining grounds for appealing the finding(s) or concern(s). Documentation could include written guidance or policy, training materials, or other such foundation for appeal. The Weatherization Policy and Technical Specialist will consider the appeal and when appropriate will review decisions with the IHCD Director of Community Programs before a response is communicated.

The Director of Community Programs will respond in writing to the subgrantee within fifteen (15) working days. The Policy and Technical Specialist may request additional information from the Subgrantee at any time during the review process. Once the Director of Community Programs has responded, the decision will be final.

707 RETURN OF FUNDS IN MONITORING

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. A return of funds must be paid out of private agency funds. These funds will show on the claim summary but will not be returned to the Subgrantee's available budget. The state will reuse these funds in future allocations.

Some examples of disallowed costs might include, but are not limited to:

- Exceeding 20% of total expended funds on Health & Safety measures
- Exceeding the current average cost per home
- Interest expenses paid with DOE funds
- Rework expenses when job has been closed, except when specifically authorized by IHCD
- Disallowed equipment and vehicle purchases with DOE funds
- Any measure not cost justified
- Any repair that exceeds the incidental repair measure limit for materials and labor
- Expenditures incurred for the installation of measures on a completed unit outside of the client's eligibility period
- Expenditures incurred for the installation of measures on a completed unit outside the contract period
- If IHCD cannot determine an expenditure is allowable because of inadequate records or documentation, IHCD will request additional documentation. If documentation cannot be produced, the costs will be disallowed.

Subgrantees are required to correct any deficient work identified by the Quality Control Inspector before the work is submitted for reimbursement. As a result of technical monitoring inspections, Subgrantees with incomplete work and workmanship issues will be allowed to rectify the problem before disallowances are levied. Subgrantees will be asked to reverse or repay costs that are determined to be unallowable. If questioned costs are significant, an investigation may be performed, and the Subgrantee may be subject to additional review.

When deficiencies are identified, Subgrantees may be required to submit a corrective action plan within 30 days of receipt of the Technical Monitoring Report. The submission must include a description of the corrective actions to be taken as well as a timeline for implementation of those actions. The Corrective Action Plan will be submitted to IHCD's Director of Community Programs for review and approval.

SECTION 800

REPORTING

801 MONTHLY AND QUARTERLY REPORTING

Data for production and claims should be added to Indiana Weatherization Assistance Program (IWAP) (*Section 810*) and IHCDOnline (*Section 811*) on an ongoing basis. Timely entry of all weatherization information ensures that current data is relayed to the appropriate federal funding source and in turn could be used by the federal government to justify future appropriations. IHCD is currently required to submit quarterly financial and production reports to the DOE.

Production Reports that are used for monthly reporting to DOE include: Closeouts (*section 404*), Desktop Monitoring (*section 803*) and Spending/Production Benchmarks (*section 804*). Reports are pulled at least monthly by IHCD from the IWAP database and IHCDOnline to review production and spending information recorded by Subgrantees. Subgrantees are strongly encouraged to enter completions into IWAP within thirty days of the final inspection.

802 REPORTING REQUIREMENTS TIMELINES

IHCD is required to report on Subgrantee progress on an ongoing basis. Reporting is completed in the IWAP database and the IHCDOnline system. The following is a list of Reporting Requirements:

- **Daily/Ongoing** - Completions entered in IWAP
- **Monthly** - Online Claims

803 DESKTOP MONITORING

IHCD will closely monitor claims and average cost per unit on each grant throughout the active grant period. A consistent level of production, spending and reporting throughout the grant year is indicative of good program management and demonstrates that a Subgrantee is able to efficiently manage available resources. IHCD emphasizes the importance of blending all sources of funding throughout the year and attempting to use LIHEAP funds in conjunction with each DOE unit.

IHCD will examine Subgrantee's status on production, spending/claims and reporting in comparison with the established benchmarks on the Subgrantees budget form. This information along with incentive pool qualifications and technical monitoring results will be taken into account when issuing grants, distributing additional funds as they become available or under circumstances when IHCD, in its sole discretion, deems it is necessary to de-obligate and/or re-distribute all or any portion of a Subgrantee's grant funds.

Below is the schedule IHCD will follow regarding benchmark and average cost per home tracking for DOE and LIHEAP programs:

- **Benchmark review/ Average cost analysis**

- June 30: DOE WX 1qtr LIHEAP WL 3qtr
- Sept 30: DOE WX 2qtr LIHEAP WL Closeout
- Dec 31: DOE WX 3qtr LIHEAP WL 1qtr
- March 31: DOE WX Closeout LIHEAP WL 2qtr

804 SPENDING AND PRODUCTION BENCHMARKS

For those Subgrantees who are substantially **and consistently under-spending or under-producing**, a request may be made for a meeting and/or conference call with the Director of Community Programs to discuss the Subgrantee's progress. Additionally, IHCD may require additional planning documentation and reporting. Under circumstances where a Subgrantee fails to display adequate progress and/or fails to provide a definitive plan for the remainder of the grant period, IHCD reserves the right to decrease the amount of the grant and reallocate funds to other Subgrantees. Funding for all grant programs will be reconsidered on a quarterly basis.

805 RECORD RETENTION AND DISPOSAL

Subgrantee shall maintain all records relative hereto during the effective period of each grant agreement and for a period of three (3) years from the date Subgrantee submits to IHCD its final financial status report, or one (1) year from the resolution of any outstanding administrative, program or fiscal audit question, or legal action, whichever is later. The retention period for records relating to any equipment authorized to be purchased with grant funds begins on the date of the disposition, replacement, or transfer of such equipment (including vehicles).

Subgrantee shall protect all electronic and hardcopy documentation containing confidential client information. Confidential information means any individually identifiable information about the participants who receive services and/or assistance from grantees and/or sub-recipients of the IHCD. Subgrantee shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A "proper" disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed;
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed;
- Conduct due diligence and hire a document destruction contractor to dispose of confidential client information.

806 REQUIRED FORMS ON FILE

All Subgrantees must ensure the forms below are current:

- **Authorized Signature Form** – Person(s) authorized to sign grant agreement and claims – must be notarized for each signer. Direct Deposit Form – account where claim payments will be deposited. This form can now be completed online.
- **Tax Form W9** – Request for Taxpayer Identification Number and Certification. Registered CCR and DUNS Numbers (numbers only, signature not necessary).

807 CONTRACTOR PROCUREMENT, PRICE LISTS, RESPONSIBLE CONTRACTORS

Subgrantees must follow proper procurement procedures when acquiring goods and/or services for the weatherization program. See grant agreement Section III, J and 2 CFR 200 Subpart D for federal rules and regulations concerning procurement.

To assist this process, DOE issued an updated Procurement Tool Kit in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services.

To download or review the DOE Procurement Tool Kit or documents, <http://waptac.org/Training-Tools/Financial-Management-Tool-Kit.aspx>

807.1 Contractor Procurement and Price Lists

Subgrantees must either bid each weatherization job individually or develop a price list for contractor costs. If a price list is developed, each Subgrantee must follow federal regulations as outlined in 10 CFR 600, rebid at least every two years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the Subgrantee's office and provided to IHCD or DOE upon request.

Whether the Subgrantee chooses to bid out each job or work off of an established price list, Subgrantees must establish in their written procedures whether their process for accepting contractors is open year-round, once per year or multiple times per year. If each home is individually bid, copies of all bid packets must be included in the client file.

The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least three (3) business days.
- Fair and open competition must be provided.
 - The process must take place annually unless the Subgrantee's written procedures manual specifies every two years.
 - If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.

- The solicitation must include a clear and accurate description of the service or material being procured.
- Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement process or the Subgrantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

Miscellaneous items are optional price list items. If they are not included on a price list, the Subgrantee must demonstrate that prices paid for both labor and materials are reasonable based upon market prices.

807.2 Responsible Contractors

All contractors awarded contracts by weatherization Subgrantees must annually review their contractors against the federal contractor disbarment list accessed, with instructions, at <https://www.dol.gov/ofccp/regs/compliance/preaward/debarlist.htm>. If a contractor is listed on the Excluded Parties List System website, Subgrantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds.

807.3 Removal or Suspension of Contractors

Overview:

A major goal of the IHCDCA Weatherization Assistance Program (WAP) is that the homeowners receive services in a safe, effective and efficient manner. IHCDCA's intent is that contractors that provide weatherization assistance services are qualified, competent and demonstrate a high degree of professionalism. To this end, IHCDCA has developed a policy that detail's when a contractor can be disciplined and/or suspended from performing weatherization services that are funded through IHCDCA's Weatherization Assistance Program. This policy shall apply to any contractor, contractor employees, or Subgrantee crew members that are providing weatherization services as a part of the Weatherization Assistance Program. Under this policy the contractor, contractor employees or Subgrantee crew members can be disciplined in the following manner: (1) denied participation until remedial training, as directed by IHCDCA, is completed; (2) denied participation in the WAP for a period up to two (2) years; (3) suspended or debarred permanently under IHCDCA's Suspension & Debarment Policy as described below. The following violations by contractors and/or crews can lead to disciplinary action.

Violations:

1. Repeated occurrences of failed Combustion Appliance Zone (CAZ) testing resulting in re-work;

2. Repeated occurrences of failing to properly complete required heating systems forms;
3. Repeated monitoring findings related to the contractor or persons performing the work;
4. Repeated incidents of unsatisfactory, sub-standard work performance;
5. Repeated incidents of Subgrantee having to repay funds related to poor work performance by contractor;
6. Repeated incidents of violating IHCD, DOE or LIHEAP program requirements;
7. Fraudulent activity or fraudulent charges that are being reimbursed by the Weatherization Assistance Program; or
8. Negligent work performance that leaves clients or other workers in imminent danger (Health and Safety- i.e., carbon monoxide allowed to enter the home or gas leak not addressed).

Consequences:

1. Remedial Training. A contractor or persons performing work that fall under any of the categories (A- B) will be recommended for remedial training and will be denied participation until remedial training is completed.
2. Denial of Participation. A contractor or persons performing work that fall under any of the categories (C-F) can be denied participation for up to 2 years.
3. Permanent Debarment. A contractor or persons performing work that fall under category (G and H) will fall under the IHCD Suspension & Debarment Policy, which could lead to permanent debarment from providing weatherization services funded through IHCD's Weatherization Assistance Program.

Subgrantees are advised to make sure that contracts with sub-contractors specify remedies for breach of the provisions of the contract including termination. In addition, Subgrantees should provide a copy of this policy to its contractors. <http://www.in.gov/myihcd/weatherization.htm>

Appendix Z

808 VEHICLES, EQUIPMENT, SUPPLIES

808.1 Inventory of Equipment and Vehicles

Subgrantees are required to compile and maintain, on an annual basis, an inventory of all capital equipment (including vehicles) and supplies in Subgrantee's possession purchased with federal or IHCD funds. IHCD defines equipment as tangible, nonexpendable, personal property having a useful life of more than one (1) year and an acquisition cost that exceeds \$5,000.00. Supplies are defined as all tangible personal property other than "equipment" as defined above. An inventory must be maintained at the Subgrantee's office and provided to IHCD upon request. The inventory will include:

1. A brief description of the property;

2. A manufacturer's serial number, model number, federal stock number, national stock number, or other identification number of the property;
3. The funding source of the property, including the award number;
4. Whether the Subgrantee, IHCD or federal government holds the title;
5. The acquisition date (or date received, if the equipment was furnished by the federal government);
6. Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the federal government);
7. The location and condition of the property and date the information was reported;
8. Unit acquisition cost; and
9. Ultimate disposition data including the date of disposal and sales price.

Subgrantees will be required to submit all relevant depreciation schedules applicable to the audit period at the time its independent audit report is submitted. Subgrantees must develop an inventory control system that includes adequate safeguards to prevent loss, damage or theft of the property and maintain adequate maintenance procedures to keep property in good condition. Subgrantees further agree to comply with any additional requirements that IHCD may deem necessary with respect to the management and distribution of equipment purchased. Subgrantees may not purchase or maintain inventory which exceeds an amount necessary for the performance of this agreement. An annual review of inventory will be sent by IHCD to Subgrantees who have purchased vehicles and equipment.

808.2 Use of Equipment and Vehicles

- Any equipment and supplies purchased with federal or IHCD funds shall be used by the Subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When the equipment is no longer needed for the original program or project, the equipment may be used in other activities or programs currently or previously supported by a Federal agency, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other uses shall be given to other programs or projects supported by DOE. User fees should be considered if appropriate.
- The Subgrantee cannot use equipment acquired with DOE grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. See 10 CFR 600.135(b) for details.

When acquiring replacement equipment, the Subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval by IHCD. See 10 CFR 600.135 for details.

808.3 Vehicle Titles

When purchasing a new vehicle with federal grant funds, the title shall list Indiana Housing and Community Development Authority (IHCDA) as the lien holder and the Subgrantee as the owner. The title must be mailed to IHCDA to the attention of the Community Programs Analyst. All titles will be held at the IHCDA office. See 2 CFR 200 Subpart D §200.313 for details.

808.4 Sale of Vehicles or Equipment

In order to sell a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with DOE funding, the Subgrantee must contact IHCDA for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds, a Subgrantee must document the following actions before the sale:

1. Determine how your organization will sell the equipment/vehicle. This can be a public sale, a trade in with a dealer or a sale to another department of the Subgrantee.
2. Research current market value for the equipment/vehicle (ex. Kelley Blue Book, local comparable prices through dealers) Keep copies of documented values.
3. Advertise the sale of the equipment/vehicle via a public notice for at least three (3) days in a local newspaper. If possible, Subgrantees should use all available media outlets for publication, including websites and agency publications.
4. The advertisement should include a minimum price and a reasonable time frame for offers to be accepted.
5. There should be an open bidding process with the sale going to the highest offer. All vehicle sales must have at least two documented offers and must be sold at or above the highest offer. (If the vehicle is up for private sale or a sale to another department of the Subgrantee because the agency feels as though a better price can be achieved through private sale than through trade-in, the sale price may not be lower than the offered trade-in value)
6. An email or letter must be written to IHCDA to request the release of the title. Include in your correspondence: your intent to either trade in or sell the equipment, your process, and documentation of the offer. The letter must be signed by the Subgrantee Executive Director. It will take at least five (5) business days for IHCDA to release the title and mail it back to the Subgrantee for the sale. (If the sale is to another department within the Subgrantee, an email to the Community Programs Analyst can result in the transfer of the title to another IHCDA department)
7. If a sale, the income from the sale is to be returned to IHCDA for redistribution under the current LIHEAP grant.
8. If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment.

Equipment sales by non-profit entities purchased with DOE funds should follow 2 CFR 200 Subpart D §200.313 (e).

808.5 Disposal of Equipment and Vehicles (less than \$5,000.00) and Supplies

- Upon termination or completion of the award, the Subgrantee must compensate DOE for its share of unused inventory and supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) and having an acquisition cost of less than \$5,000.00) when the aggregate fair market value of these items exceeds \$5,000.00. This applies to residual inventory from ARRA or SERC funds of unused supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) and having an acquisition cost of less than \$5,000.00.) exceeding \$5,000.00 in total aggregate fair market value upon termination or completion of the award if the inventory and supplies are not needed for any other federally-sponsored programs or projects.
- Inventory, supplies, equipment, and vehicles purchased with ARRA, SERC, or DOE funds of any value can be used by another weatherization program (such as the DOE annual allocation or LIHEAP), in this case, the Subgrantee can transfer the supplies and equipment without further obligation to DOE or the State of Indiana. However, the Subgrantee must ensure that the tracking and accounting of the remaining inventory is in accordance with its established policies and procedures.
- If the Subgrantee is transferring to another federally funded program, outside of weatherization, within the Subgrantee's organization, the program purchasing the inventory, supplies, equipment or vehicles must compensate the program selling it at a fair market rate. Proceeds are reinvested in the weatherization program. See section 808.4 or below for sales details.
- If the Subgrantee is no longer providing weatherization services and does not have another federally-funded program to transfer the equipment, inventory, supplies, or vehicles to, regardless of whether the \$5,000.00 fair market value aggregate threshold is met, these items must be sold in a public sale and the funds returned to DOE by check written to IHCD. A second option is to return the items to IHCD without any further financial obligations.

In order to sell any tangible, nonexpendable, personal property having a useful life of more than one (1) and a fair market value less than \$5,000.00 that was purchased with LIHEAP, ARRA, DOE or SERC funds, a Subgrantee must document the following actions before the sale.

1. Inventory the supplies/equipment the Subgrantee wants to sell.
2. Set up the sale as a public sale.
3. Research current market value for the supplies/equipment. Keep copies of documented values such as website catalog prices, quotes from suppliers, etc.
4. This must be a public sale.
5. Advertise the sale of the supplies/equipment via a public notice for at least three (3) days in a local newspaper.
6. There should be a closed bidding process with the sale going to the highest offer. All sales must have two documented offers and must be sold at or above the highest offer.

7. The advertisement should include a minimum price per item and a reasonable time frame for offers to be accepted.
8. If a sale, the income from the sale is considered “Program Income” to the funding source that purchased the supplies/equipment. If the supplies/equipment were purchased with ARRA or SERC, the proceeds must be recorded as income to the current DOE annual allocation grant program year and used to enhance the Subgrantees Weatherization Assistance Program. Follow policy manual section [403- Program Income](#) for details.
9. Only supplies purchased and reimbursed with ARRA funds need to be sold. If purchased with Subgrantee funds, supplies can be transferred to the DOE or LIHEAP weatherization program without further documentation.

Supplies sales by non-profit entities purchased with DOE or ARRA funds should follow 2 CFR 200 Subpart D §200.314.

808.6 Rental of Vehicles, Equipment and Supplies

Rental of vehicles or equipment to other Subgrantee departments, other nonprofits or a for-profit entity is only allowable if the Subgrantee continues to use the item at least twenty-five percent (25%) or more of the time for the current weatherization grant programs.

If supplies, equipment or vehicles are being rented, the following must be documented in your files for future monitoring:

1. A rental fee can be charged for the use of supplies, equipment, and vehicles purchased with LIHEAP funds. Any income received must be recorded as program income.
2. The allowable rental fee charged may not be less than private companies charge for equivalent services. See 2 CFR 200 Subpart D §200.313 (c)(3)Equipment).

Documentation of comparable rental rates must be secured from at least two sources prior to establishing a rental rate for supplies, equipment, or vehicles. If two market rates cannot be found, a rate can be set based on the cost of the equipment and the useful life of the equipment including maintenance costs. File documentation must contain the two documented comparable market rental rates or rental rate calculation and accounting detail for the rate charged, department or entity paying the rental, and rental payments received and applied to Program Income.

809 BID PROCEDURE FOR EQUIPMENT PURCHASES

Weatherization specific equipment with a unit cost of greater than \$5,000.00, such as vehicles, may be purchased with the LIHEAP Equipment line item. Equipment requires prior written approval from IHCD before the purchase is made. All requests must follow the IHCD bid

procedure below to be considered for approval. See section 808 Vehicle and Equipment sales or rental procedures.

1. Bid Specifications

- Write specifications for the item you are requesting to purchase – make, model, features, year, new/used, etc.
- Specifications should be specific to the organization’s needs but not so specific as to pinpoint an already selected item.

2. Solicit Bids

- Mail, email or deliver bid specifications to local dealers or companies to solicit bids
- A minimum of three bids must be solicited and submitted.
- If you do not receive three bids or the bids did not meet the specifications, bids may be selected based on a similar make and model. This is only true for unique items.

3. Bid Selection

- Review and select a bid that meets your bid specifications.
- If this bid is not the lowest bid, please specify why it was chosen.
- Priority should be given to bids meeting the specific bid description.

4. Requesting approval from IHCD

- Mail or email a letter with an authorized signature to the IHCD Community Programs Analyst.
- The letter should describe your bid process, your selected bid and the reason for your choice.
- Attachments should include your bid specification, a list of companies or dealers solicited and three bids meeting your specifications.

5. IHCD Approval

- If your request is complete, a letter will be sent via email approving your purchase.
- Incomplete requests will delay approval and may require rebidding for valid bids.
- IHCD will respond within five business days with questions or approval.

DOE issued an updated Procurement Tool Kit in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download the DOE Procurement Tool Kit or documents, see <http://waptac.org/Training-Tools/Financial-Management-Tool-Kit.aspx>. To ensure that procurement standards are properly followed, IHCD requires a minimum of three bids on all transactions or purchase of services totaling \$5,000.00 or more. To be considered proper procurement the three bids must be obtained from three independent sources.

810 INDIANA WEATHERIZATION ASSISTANCE PROGRAM DATABASE (IWAP)

The Indiana Weatherization Assistance Program Database (IWAP) was created by Roeing Corporation specifically for Indiana's weatherization program. Data is recorded in the system for many aspects of the program including:

- Unit Completions – client info, job info, job costs, measures, contractors
- Wait Lists

As a result of this data input, reports can be generated for each funding source daily, monthly, quarterly and lifetime of the grant. These reports can be used by IHCD staff and monitors to review progress and for compliance. Questions or problems concerning the database should be directed to IHCD staff and may be referred to the system administrator.

IWAP is a web-based database and can be accessed at:

<https://ihcdaonline.com/wap/IWAPlogin.aspx>. Below are instructions on the use of IWAP. This is arranged based on the order a Subgrantee will use the system with a new client. IWAP offers a training database/test site at <http://test.roeing.com/iwap/>. Contact IHCD's Community Programs Analyst for a username and password.

810.1 Administrator Privileges

All Subgrantees are given an original log on and at least one person is assigned as the Supervisor for each Subgrantee. The Subgrantee Supervisor has the ability to add, delete and modify access for the Subgrantee's employees. This is completed under Main Menu items "System Utilities" and "Maintain Users". New users are added at the bottom and current users can be updated by clicking their name. Only 1-2 people should have supervisor rights per Subgrantee. Most will need Report rights and Edit rights if they update files. Employees with these rights will have several grayed out fields that only a Supervisor can view or update. If the individual identified as the agency Supervisor leaves, the replacement Supervisor will need to contact the Community Programs Policy and Technical Specialist or Community Programs Analyst in order to assign permissions.

The IWAP database is linked to the EAP database. In order to delete an employee, his or her IWAP rights must be removed. If you are unable to remove an employee's access completely in IWAP, contact the EAP Supervisor at your agency.

The IWAP software has the ability to perform Ad Hoc Reporting. If an employee will be using the Ad Hoc Reporting portion of IWAP, click on the employee's name, add a check to the Ad Hoc Reporting box and have him or her log back into IWAP to access the new Ad Hoc Reporting.

EAP Data Access Policy

When a Subgrantee performs weatherization services in territories that are served by another Subgrantee's Energy Assistance Program, IHCD requires that the following guidelines be followed to ensure that all necessary and required EAP information and documents are accessible within the database, and can be transmitted securely between subgrantees:

- In order to access EAP applications and documents, when a sub-grantee provides weatherization services to clients that another agency serves in EAP, the subgrantee will automatically be given read-only access in the EAP database for the counties in question. The Subgrantee will be notified when access has been granted.
- Permissions in the EAP database for sub-grantee staff will be assigned by the sub-grantee.
- The sub-grantee providing EAP services must ensure that all documents are uploaded to the EAP database, and that they are accurate and up-to-date within 60 days of the completion of the EAP application for files that will be accessed by the weatherization provider. If additional time is needed, the sub-grantee providing EAP may submit a request for extension to IHCD.
- IHCD strongly recommends that an audit of each file be performed by the weatherization provider to ensure the information is correct before proceeding with weatherization services.
- Any errors found in the client files by the weatherization sub-grantee must be forwarded to IHCD for review. IHCD will then work with the EAP service provider to resolve the issues, and will notify the weatherization provider when the information has been verified.
- Subgrantees must reference the client by application key only when communicating. Any other Personally Identifiable Information (PII) should not be shared.
- The weatherization provider must ensure that the client's EAP application is active when the weatherization services are provided, and at the time of final inspection. An application is considered active for a twelve month period starting from the date of the approved application. If the version in the weatherization database is the most current, no paper copy is required.

810.2 Wait List (Main Menu Item)

"Wait List" is the last menu item in IWAP. This will access all of the Subgrantee's eligible clients and provide detailed information about the client based on his or her Energy Assistance Program (EAP) application.

Currently, Weatherization subgrantees will manually create a new client file in IWAP with information taken from the client's application in the EAP database. Subgrantees will be responsible for building their own wait lists using the prioritization policy outlined in Section 301.

810.3 Completions (Current Clients – Main Menu Item)

A completion requires many steps before the Subgrantee receives a completed unit for a program.

A completed unit will be recorded after the following steps/menu items have been worked through.

- **Application** - This is the Client Information that comes from the EAP file and from the initial audit. This page must be completed before moving forward.
- **Job Information** – This information comes from the initial audit.
- **Job Costs** – identify the labor and material costs for the unit for Base Program Operations, Health and Safety or Mechanical budget line items. The following other items can be entered on this page: Overhead costs, Funding Source, and dates for the Final Inspection, Invoice and Completion. Although not required at this time, IHCD strongly encourages entering Overhead costs in IWAP. By doing this, an agency would increase their management of the average cost per unit and assist in identifying cost to be moved in the event a job is transferred to a new funding source.

Funding Source	Completion Date	Rework	Contractor	Total Cost
DOE	1/10/2018	NO	CAP Agency	\$346.12
DOE	1/10/2018	NO	ABC Heating	\$1879.00
LIHEAP	1/10/2018	NO	CAP Agency	\$1155.00
LIHEAP	1/10/2018	NO	XYZ Insulation	\$816.89

NOTE: A contractor should only appear once per funding source with all expenses associated with that contractor and funding source totaled and placed in the Total Cost column.

Funding Source*	DOE
Completion Date*	12 / 17 / 2013
Contractor*	SAMPLE Contractor
Invoice Date*	11 / 25 / 2013
Final Inspection Date*	12 / 19 / 2013
Is Rework	<input type="checkbox"/>

NOTE: The Final Inspection Date should be the last day the home is touched. The Completion Date should never be before the Final Inspection Date.

- **Measures** – click off measures completed in the unit.
- **Close Out** – when the record is complete, click on the close out menu. Close the record to indicate a completion is ready to be reported to DOE and/or LIHEAP.

810.4 Current and Historical Clients (Main Menu Items)

All Current Clients can be pulled up under this menu tab. The easiest method is by IWAP Application Key (which is different than the Wait List Application Key) but name and address can also be used.

Historical Clients are archived clients from closed programs. These client files are locked and are for viewing only. A client completed more than 18 months prior will appear in the Historical Client list.

810.5 Reports (Main Menu Item)

A variety of reports can be pulled by the Subgrantee and IHCD staff, monitors and contract compliance companies.

- Quarterly Reports by funding source is the most useful report for the Subgrantee. This report needs to be checked for accuracy and submitted at Close-Out (*section 404*). IHCD will compare this data to your Close-Out Reports to calculate average cost per home. Additionally, detailed demographics are summarized and used by IHCD for DOE monthly and quarterly reporting.
- Client Completion List will pull a completed client list per county or date range.

810.7 Client Record Unlock

If it is necessary to unlock a locked/closed client record, please contact IHCD's Community Programs Analyst for permission. **Requests may be made via email or phone; email requests should only include the client's IWAP-generated application key to maintain security, and the reason the record needs to be unlocked.** Once a record is unlocked, it will remain open 24 hours for editing. The record will automatically lock at the end of the 24 hour period. If a funding program is closed out, the record may not be accessible due to recording and reporting of data to Federal funding sources such as the Dept. of Energy.

811 IHCDOnline.com

All claims and reporting requirements on IHCDOnline.com are detailed in *Section 408* and <https://ihcdaonline.com/AuthorityOnline/Default.aspx>

812 HISTORIC AND ENVIRONMENTAL REVIEWS

Weatherization activities funded by DOE and LIHEAP are only subject to Environmental and Historic Review processes if they fall outside of the scope of the agreement established between IHCD and the State Historic Preservation Office.

SECTION 900

HEALTHY HOMES Deferral Program

901 STATE-FUNDED HEALTHY HOMES Deferral Program

It is the intent of the Healthy Homes Program to decrease the number of homes that are deferred from the Indiana Weatherization Assistance Programs, and improve the health of the occupants and energy efficiency of the home.

Pursuant to I.C. 4-12-1-14.5, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement to be used in newly created Indiana Home Energy Assistance Programs. The Healthy Homes Deferral Program is funded out of the state's weatherization portion of the mortgage settlement. The program operates under the same eligibility guidelines and program year as the State LIHEAP program.

Through various Department of Energy and Low Income Home Energy Assistance Programs, Indiana provides weatherization services to approximately 1,800 households annually. In addition to the 1,800 homes that do receive weatherization services, the state experiences a deferral rate of nearly 50%.

While clients may meet income eligibility requirements for weatherization, Subgrantees may defer a client because the housing unit is not a good candidate for weatherization. A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons. Please refer to Section 304 for an expanded view of Indiana's Deferral Standards.

In situations where the deferral issues cannot be addressed within the scope of the Weatherization Assistance Programs and the client does not have the means to resolve the deferral issues, the home may never receive services.

902 CLIENT ELIGIBILITY

The Weatherization Subgrantee staff, or its subcontractor, is obligated to review and determine eligibility status for the Healthy Homes Deferral Program based on the criteria below.

- Client must adhere to the HHS requirements of **200% or below of the current OMB poverty guidelines**

- Client's **Energy Assistance Programs application (EAP)** must be active at the time the weatherization services are provided and at the time of final inspection. An application is considered active for a twelve month period starting from the date of the approved application. Subgrantees must utilize the most recent available application.
- If client is not an EAP recipient, income documentation must be in the file
- Unit must be a single family and owner occupied
- Unit must have undergone an initial audit and determination of deferral made
- Unit must have received a Home Heating Index (HHI) calculation
- Elimination of the deferral issues must result in the unit's immediate (within 12 months) eligibility for traditional weatherization services through DOE, LIHEAP or State LIHEAP
- All Land Contract units **MUST** be reviewed by IHCD prior to receiving deferral services/funding.
- Deferral expenses will not be eligible if the unit does not receive traditional weatherization services within twelve (12) months of receiving deferral mitigation. At that time IHCD reserves the right to request repayment of funds received for deferral expenses (extenuating circumstances will be reviewed by IHCD)
- Unit cannot have previously been weatherized

903 REASONS FOR DEFERRALS

Deferrals may take place during any phase of the weatherization process, including but not limited to: during or after the initial audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors.

Below are examples of existing conditions under which a unit can be deferred but still eligible for Healthy Homes Deferral Program funds.

- Elevated carbon monoxide levels where abatement is not possible using WAP funds
- Existing moisture problems that cannot be resolved under the health and safety limits
- Presence of sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work
- Building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and these conditions cannot be resolved in a cost effective manner
- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated within the scope of weatherization

904 ALLOWABLE ACTIVITIES

Below is a **non-exhaustive list** of activities that are within the parameters of the Healthy Homes program. All activities must have been previously determined as a cause for the home to be deferred. Measures not listed below require IHCD approval.

- Mold remediation
- Moisture control
- Electrical issues
- Grading
- Roof repair
- Gutters and associated materials
- Sump pump installation
- Pest control
- Structural issues

To ensure the client receives the maximum benefit, we encourage you to think outside the box regarding the whole health and safety of the home. Additional items to consider are:

- Handrails
- Adequate lighting on stairs
- Grab bars in bathrooms

905 BUDGETARY LIMITS

- **Administration** – Actual costs associated with the administration include fiscal, executive, support operations, rent, utilities, supplies, etc. Total claimed cannot exceed 5% of the total amount expended.
- **Deferral** – *Actual costs for performance of necessary measures to resolve Deferral issues.*

The average allowable deferral cost per home using Healthy Homes funds is \$7500. However, the HHI and matrix points must still be recorded, and included in the file. The HHI can be calculated through a form downloaded from INCAA's website:

<http://www.in.gov/myihcda/weatherization.htm>

State Healthy Homes Deferral Program funds can be combined with State LIHEAP, LIHEAP or DOE funding on the same unit. However, State LIHEAP Mechanical or Base funds cannot be combined with LIHEAP Mechanical or Base funds. Please refer to section 508 for a detail of funding source combinations.

906 REQUIRED FORMS

Client files must be kept to verify the work completed, track all expenditures and funding sources utilized. All forms listed in Section 200 are to be kept in the files of clients determined to be eligible for the Healthy Homes Program.

*Note: The Landlord Rental Agreement would not be necessary as only **homeowners** are eligible for this program.*

907 TRACKING DEFERRAL FUNDS

Each Subgrantee must track/enter the use of Deferral expenses in IWAP just as Health & Safety expenses are. Deferral expenses will be captured in the “Total Cost” but not in the “Total Completion Costs”.

Each Subgrantee must complete and submit the spreadsheet with the State LIHEAP closeout.
Appendix V Deferral Closeout Form

908 PRECAUTIONS

- Deferral funds ARE NOT to be used to help maintain the average cost per home of the traditional weatherization grants.
- Deferral funds ARE NOT to be used as a “buy down” to enhance other measures.
- Deferral funds ARE NOT to be used as a substitute for traditional weatherization mechanical expenses.
- Deferral funds ARE NOT to be used as an emergency “no heat” program.